

BUSINESS SUMMARY

Threat seen in Arab cash

ARAB oil-producing nations have built up short-term investments in the West...

Senator Frank Church, subcommittee chairman, has supported the report's claim that a combination of this weapon and a new embargo could cause a serious financial crisis...

ANTARCTIC treaty nations, including Britain, will consider drawing up rules for possible commercial exploitation...

BUILDING SOCIETIES may decide on Friday to make another cut in their mortgage rates...

PRODUCTION will resume today at Scottish Timber Products mill near Stirling...

LEYLAND warned of pay clash

LEYLAND has placed itself on a collision course with 20,000 workers at Longbridge...

FIATS chances of winning a contract to build big cars in Algeria appear to be at risk...

BRITISH AIRWAYS plans to make more use of Gatwick airport. In April, it will start scheduled services...

ADVISORY Conciliation and Arbitration Service says that if a union and employer agree to settle the 12-month rule...

RETAIL group may expand

GROCERY groups Spar, Mace and VG, which bring together about 10,000 small shopkeepers...

CONSUMPTION of dearest foods, including fruit juice, breakfast cereals and honey...

BOAT BUILDING industry is pressing the Government to reduce VAT on boats...

DIRECTORS of the U.S.-owned Commercial Credit Services Holdings will shortly discuss...

DR. DAN McDONALD has sold his entire 9.5 per cent stake in Wilnot Breeden (Holdings)...

Table with financial data including share prices, FT SURVEY, and other pages.

North Sea revenue may be used to boost industry

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

A big campaign to encourage energy conservation and further schemes to stimulate industrial investment are among options on the medium-term uses of North Sea oil revenue...

The Cabinet has not yet discussed the details of the document, which will probably appear in the form of a Green Paper...

At present, it looks likely that there will be a fairly general and simplified presentation of the alternative uses of the opportunity...

In the early years, the emphasis is likely to be on a combination of debt repayment, energy conservation, easing inflationary pressures...

In the medium-term, the emphasis may be more on reinforcing investment on the industrial base...

The North Sea oil benefits are used "wisely."

The Joint Treasury and Department of Energy discussion paper was commissioned earlier this summer...

Other methods include further selective assistance to encourage marginal investment on the lines of the accelerated project schemes...

There have been proposals for a special North Sea development fund. But the views are divided...

Insulation

On energy conservation, for example, enormous immediate scope is seen for the increased insulation of buildings.

This might, however, involve changes to the structure of housing finance and rents...

This was reflected in Friday's comment by Mr. Denis Healey, the Chancellor...

Dayan reaches New York after surprise trip home

BY RICHARD JOHNS, MIDDLE EAST EDITOR

MR. MOSHE DAYAN, the Israeli Foreign Minister, arrived last night in New York...

According to reports from Beirut, an Israeli armoured force was poised on the border to strike at Palestinian positions...

In Beirut, the belief was that Mr. Dayan—probably prompted by U.S. or other intermediaries—had interrupted his tour...

It appeared that Mr. Dayan used his two-hour stop-over in Zurich on Sunday morning...

Asked if Mr. Dayan's unscheduled and strange itinerary would alter Israel's stance on Middle East peace negotiations...

It is being replaced at the Defence Ministry by Sig. Artur Ruffini, the former Transport Minister.

Concession

It is now for the Communists, in particular, to decide whether this partial concession by the Andreotti Government...

The Kappler incident was merely an issue on which the Communists and the other parties had come together...

But it remained doubtful to-night whether they would be anxious to press the issue too far.

It was envisaged that the future political career of Sig. Lattanzio, whom the Prime Minister had defended strongly in a recent special Parliamentary debate...

meeting scheduled for Saturday in Beirut, Mr. Arafat has declined sharply in 1974.

According to Palestinian officials in Beirut, Mr. Arafat has declined sharply in 1974.

Our Beirut Correspondent reports: Israeli reinforcements on Saturday moved at dawn to the area around Metulla...

It is believed that Mr. Begin decided to take matters into his own hands after an Israeli-backed Palestinian position made little headway.

In Damascus the Palestinian Central Council postponed a meeting scheduled for Saturday in Beirut...

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World Bank plans lending boost

BY DAVID BELL

WASHINGTON, Sept. 18. THE WORLD Bank is to discuss proposals for a general capital increase during the next year...

The Bank's \$41bn. authorised capital enables it to sustain annual lending of about \$8.8bn. the report says.

The very poorest nations were increasingly being left behind as the effects of the rise in the world price of oil...

By the end of 1975 the total external debt of the developing countries amounted to about \$173bn.

Approved

The current account surpluses of nine members of OPEC — including Iran, Nigeria and Venezuela — declined sharply in 1974.

By the end of 1975 it was evident that some of these countries, particularly the largest and poorest of them, Indonesia...

The Bank said that last year 11, and its affiliates, the International Development Association and the International Finance Corporation...

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Unions attack Thatcher plan to ask nation

By RICHARD EVANS and NICK GARNETT

A CONSERVATIVE Government faced with massive opposition from the trade unions to its industrial policy would consider putting the issue to a national referendum...

Mrs. Thatcher's statement was immediately attacked by leading trade unionists as impractical and irrelevant.

Mr. Jack Jones, general secretary of the Transport and General Workers' Union, said that the whole tenor of what the Tory leader had in say was "camouflage" for strong anti-union attitudes...

Mrs. Thatcher, faced with damaging party dissension over the party's attitude to trade union power, had canvassed for the first time the possibility of a referendum...

She stressed repeatedly in an interview with Mr. Brian Walden, the former Labour MP, on the London Weekend Television programme...

Nevertheless, her introduction of the referendum formula has two principle aims — it is an attempt to take the heat out of the row raging within the party...

Her view after the referendum on Common Market membership had been that the country had learned the advantage of a method of putting a single issue to the electorate.

It is a way of letting the people speak and a constitutional matter, if it arose, would be the time to use it.

There was no difference of principle between herself, Sir Keith Joseph and Mr. James Prior over the closed shop, which has emerged in the last week as an issue that threatens to rip apart the unity of the Shadow Cabinet...

Government appears to be on an electoral upswing. "We are all against the closed shop."

There was a difference of emphasis between Mr. Prior, Shadow employment spokesman and Sir Keith, Shadow industry spokesman...

These are almost certain to erupt again at the Conservative Party conference at Blackpool next month when Mr. Prior will have the tricky task of trying to persuade the rank and file...

No ban

The indications yesterday were that he will have Mrs. Thatcher's full backing in spite of growing demands from the party's Right wing for an more aggressive line...

Mrs. Thatcher confirmed that an attempt would be made by an incoming Tory Government to ban closed-shop agreements...

Instead of clobbering small businesses, the Government should encourage them as this was where growth and employment lay, Mrs. Thatcher said.

Mr. David Busnett, general secretary of the General and Municipal Workers' Union and the newly elected chairman of the TUC, said that the country needed suggestions on improving industrial relations and industrial performance.

Instead of suggestions for doing these things, she makes her major suggestion that of an impracticable referendum.

Advertisement for Olympia typewriter, featuring an image of the machine and text describing its features and availability.

The sinister bread strike

BY ANTHONY HARRIS

"I would draw your attention, Watson, to the significance of the dog in the night..."

CONAN DOYLE'S splendid old chestnut has been coming to mind in the past week...

Concealing

There was a time when a strike was a simple effort to put pressure on employers...

Master's voice

Disputes between unions and the Government raise difficult issues...

U.K. builds 1981 space probe

A SPACE PROBE which may explore secrets of the "big bang"...

TV Radio

BBC 1

F.T. CROSSWORD PUZZLE No. 3,470

ACROSS DOWN

Just not cricket

BY JUSTINIAN

PROFESSIONAL CRICKET has temporarily abandoned the sports stadia for the law courts...

Costly battle

The TCCB may ultimately fail to wear down the Packer players away from their desire to benefit from the fruits of the Packer circus...

Once the cricketer's contract with his county has expired, there is of course nothing to stop a county negotiating with a Packer player...

services only during the playing season. If during the winter months the player signs up to play in Australia...

future only to engage players who will make themselves available to play for their country...

English cricket has emerged this season from a depressing era, when performance on the field has been at a low ebb...

ALTHOUGH THERE was much individual honour in our joint triumph over the United States...

Strength and artistry

ECANELLI have had some rich pickings against the Harlequins...

RUGBY UNION

BY PETER ROBBINS

The Quins stretched defence was breached and the back-row trio worked closely with Williams at scrum-half...

A civilised outpost

THE VIOLENT, loud-mouthed, un sporting, uncivilised, rabble which followed English football clubs in increasing numbers...

SOCCER

BY TREVOR BAILEY

After the interval Ipswich exerted more sustained pressure, while their back four did well to contain the dangerous Liverpool counter-attacks...

At right back for Burley was outstandingly tackled crisply, intelligently, over the top and produced 11 shots...

Ryder format fails

BY BEN WRIGHT

series in the alternate years when Ryder Cup matches are not played, the winning team to challenge the U.S. — a sort of America's Cup system...

Best to-d is Roar

BY DOMINIC WIG

and a half from home, that point the result in doubt. Although he idled in 100 yards, he won the great authority...

GOLF

BY BEN WRIGHT

series in the alternate years when Ryder Cup matches are not played, the winning team to challenge the U.S. — a sort of America's Cup system...

Wind foils Australia

NEWPORT, Rhode Island, Sept. 18.

Even the weatherman seems puzzled easily clear on the first day, but extending the lead on every point of sailing until the final race...

YACHTING

BY SAM VITE

series 4-0, and dropped only one race to the Australian challenger Greta II in the 1970 series.

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Alison Gollings, Alec Monteath, Hugh Sullivan and John Buick.

Festival Theatre—2

# Two Pretenders

by ANTHONY CURTIS

ory of the Pitlochy ritual is a cunning popular, the brave tish. This season it stume plays, Cyrano and R. J. B. Sellar's which provide the ingredients.

of these came in the ment of the play e of commedia dell'rs entered from the e auditorium (an d mode of appear- proscenium stage) ed to occupy the at evening in 1640 ch our first glimpse sque swashbuckling llows his monstrous 4Kington's direction Knight's designs, 1 most appropriate urelesome, extra- The stage was filled oblemen, their fav- resses, servants and ver realistically the is pointed that we ing in the Paris of late 19th century in Victor Hugo not that sical seventeenth in

Hall/Radio 3

# Choral Symphony

by RONALD CRICHTON

past when the Ninth some degree of brotherhood is had a similar tactness without a rarity. Once credible, though it appears to be the occasional per- so little universal that it evapo- as to be approached ates before the winter concert 's and reverence due season. On Friday, when the ultimate symphonic Choral Symphony filled the tradi- Beethoven and the tional place on the last night but musings of Schiller— one of the season, the London Philharmonic Orchestra and Choir under Haitink gave a read- re acceptable at least lucid, concentrating on the notes ure lasted, to all els which was not routine at all ple whom the reality but nice—refreshment to stal ve appalled. Now the ears and a wonderful introduc- t brotherhood would tion fo those hearing the music the similarity, partly the outline performances, for the first time.

Other conductors have drawn the difficulty, more sense of turmoil and cosmic upheaval from the first move- by the listening ment. But Haitink's taut, tense, rising too often to ghts never rigid guidance finely Proms, though the balanced the eruptive side with few is beginning to other things a more romantic view may miss, like those insis- tently staccato semi-quavers which in the development fall like

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ADVERTISING AND MARKETING

### Royal Exchange, Manchester

# The Ordeal of Gilbert Pinfold

by B. A. YOUNG

One should forget that The Ordeal of Gilbert Pinfold is a novel, and that the eponymous character is an autobiographical sketch by Evelyn Waugh. The Exchange's Pinfold is a play by Ronald Harwood, based (like Romeo and Juliet and Hamlet in their day) on a piece of contemporary literature, and as a work of creative art it must rely on its own merits.

### The Entertainment Guide is on Page 30

characters in the cast, Pinfold has a genuine relationship with only one, his wife, and she is absent through most of the action. The rest are either imaginary, or are mental mutations of the other people on the cruise. So no close bonds of association are built up, and there is little in the way of a developed story.

### Festival Hall

# Giselle

Led by two dancers naturally gifted for the roles they were taking, Festival Ballet's Giselle on Thursday had a fine Romantic air to the Romantic repertoire with its dying falls, and its delicately rounded phrasing, making for an excellent Will. If she is at times too bland in emotion, her gentle resignation is sustained by a fluent, airy technique. Schauffuss is one of the most intelligent, as well as one of the most brilliant, of dancers in this forest scene. He seeks, and finds, a logic to each entrance, to each fleeting contact with the Will Giselle; his dancing flies ardently into the air, buoyed up by his passion for her. Prodigious of heats and jumps, clean and excellently choreographed, a big jump and an incisive, dramatic presence; these mark him as one of the very finest of to-day's interpreters.

### Albert Hall/Radio 3

# Boulez

The last of Pierre Boulez's three Proms this season with the BBC Symphony Orchestra—and the third he has given—was devoted on Thursday to Ligeti, Bartok and Stravinsky. Boulez began with San Francisco Polyphony—one of the last of a group of works composed during the late 1960s and early 1970s (of the period) in which Ligeti began to move away from the familiar "micro-polyphony" that had become his trademark and place greater emphasis on individual elements in the music, particularly melody.

Spanish guest conductor for RPO  
The Spanish conductor, Cristobal Halfter, will conduct the Royal Philharmonic Orchestra's Festival Hall concert on September 27 in a programme of works by Mendelssohn and Falla. The soloist in the Mendelssohn concert will be the Russian-born violinist Mark Lubotsky and Brazilian pianist Arnaldo Cohen the soloist in Falla's Nights in the garden of Spain.

New Opera Company at the Collegiate  
The New Opera Company will give three performances of doubtful success. The revival of Elizabeth Lutyens's Infidelito and the world premiere of Nicola LeFanu's Dawnpath at the Collegiate Theatre, London, on Sept. 28, 30 and October 1 at 7.30 p.m.

### Aldwych

# Troilus and Cressida

by B. A. YOUNG

The slow, portentous pace of this Troilus turns its three-and-a-half-hour span into the semblance of six. The play, which at Stratford was co-directed by John Barton and Barry Kyle, is now directed by Barry Kyle on his own. I am afraid his first solo has ended in a prang. On the credit side is the basic simplicity with which he begins. No scenery, only the empty galleries of the mock-Elizabethan playhouse upstage, amplified as necessary by a tent or so. The simplicity is not extended to the costumes, however, which Chris D.R. makes wilfully eccentric. There is a suggestion of Greek pottery designs among the Greeks; but the Trojans prefer to go into battle in nothing but their padded gamma-fronts. The servants are dressed and bejewelled like women. Ulysses drinks from time to time from an Army water-bottle. The message Aeneas (an elegant performance by Nicholas Graef) brings across the lines is on a parchment scroll, but we see a solid 19th-century book later.

### Purcell Room

# Rara Avis

by ELIZABETH FORBES

The Rare Bird is the title of which Vogl took the twin title roles, was followed by "Der Fischer," setting of a poem by Goethe, the singer's favourite German poet. In strident songs Vogl often used to decorate the vocal line, and Richard Jackson sang the first two verses of "Der Fischer" as written, and the last two with Vogl's own embellishments. As a quadrumvir composer, when the two first met, Vogl was already approaching the end of a long and distinguished operatic career—he had sung Pizarro in the third and final version of Beethoven's Fidelio—but he continued to appear in concert until well into his sixties, and out-lived Schubert by exactly 12 years.

The enjoyable entertainment devised by Graham Johnson the Songmakers' Almanac pianist, and performed by Richard Jackson (Vogl), Mr. Johnson himself (Schubert) and Peter Barkworth (narrator), opened with "Le calme repaire dans mon coeur" from Gluck's Iphigénie en Taureide (Vogl was a notable Orestes) song, as it would have been in Vienna at that time. In German. The remainder of the programme, entirely by Schubert, was arranged to illustrate the immensity of his art, and mostly harmonious partnership between composer and singer, with a linking narration derived from their letters, or from contemporary criticism, both eulogistic and hostile—Vogl's voice and style aroused strong, recently published opinions in his listeners, follows on from their previous collaboration. Knott.

be soars into heights of passion when his emotions are aroused at once going off again, and such as I have not heard in the theatre for many a year, and he is given to rolling on the stage hard to relieve his feelings, as Olivier used to in Richard III. At other times he couches in attitudes that suggest he is following a Yoga keep-fit course. Perhaps indeed he is, for his voice far into the leger-lines when he gets excited, and Michael Pennington and his two companions all indulge in a little loosening-up routine before they go into the field. As and the Cressida of Francesca for Achilles, he has been changed from the drag-queen veils a deep understanding of what he has to say, and never succumbing to the tendency shown by his colleagues of hyper-melodramatic "expression." When she laughs! "And Cassandra Cressida is an authentic teen-age child whose emotions are tried beyond their capacity; Miss Annis is prettily romantic when with Troilus, she is an recognisable ground, and when subjected to the lecherous taunts of the Greeks, she does not understand what is happening, you can see her changing gear and going the way she thinks she ought to. I'm sure her letter to Troilus as the next morning, was as sincere as could be.

### Actors Company on tour

# The Actors Company on tour

The Actors Company is to present a major new Edward Petherbridge/R. D. Laing entertainment Do You Love Me? as part of its autumn tour this temporary criticism, both eulogistic and hostile—Vogl's voice and style aroused strong, recently published opinions in his listeners, follows on from their previous collaboration. Knott.

## They didn't think it could strike twice either.

If you think there's not likely to be any power cuts for a while—take a lesson from the people of New York!

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OVERSEAS NEWS

PAKISTAN'S ELECTIONS

Bhutto's participation in doubt

BY SIMON HENDERSON

PAKISTAN'S general election campaign started to-day with the former prime minister, Mr. Zulfikar Ali Bhutto, temporarily out of the running as he is back in jail for the second time in a week...

ISLAMABAD, Sept. 18.

Bhutto on bail last Tuesday because a murder enquiry his name was linked with was not yet complete. The army were also said to be worried that if Mr. Bhutto's re-arrest was not made promptly, it would become politically impossible to detain him.

Ethiopia recruits thousands

NAIROBI, Sept. 18. TENS OF thousands of recruits have already answered the Government's call for "all adult Ethiopians fit to fight" to help repel Somali invaders in the south-eastern Ogaden region...

French, German threats to Fiat deal

BY PAUL BETTS

ROME, Sept. 18.

FIAT'S CHANCE of winning a contract to build 100,000 cars a year plant in Algeria was following reports that Algeria was following reports that both Renault and Volkswagen are now re-entering the race for the Algerian deal...

Smith decries internal settlement plans

By Tony Hawkins

SALESBURY, Sept. 18. IN ANOTHER sign of his opposition to an "internal settlement" while he waited to see the Anglo-American proposals made any sense...

Carter wants Palestinian 'entity'

WASHINGTON, Sept. 18.

PRESIDENT Carter has told a group of editors that he prefers a Palestinian "entity" associated with Jordan and that he never sought an "independent" nation for the Palestinians...

Egypt to accept single Arab Geneva delegation

BY MICHAEL TINGAY

CAIRO, Sept. 18.

Egypt has adjusted its position on the acceptance of a unified Arab delegation for the Geneva conference, responsible and well informed sources said here...

Palestinians postpone meeting

By Louis Fares

DAMASCUS, Sept. 18.

PALESTINIAN LEADERS met in Damascus on Saturday night to inaugurate the second meeting of the PLO's Central Council in less than three weeks.

Bitter kidnap debate emerges in W. Germany

BY JONATHAN CARR

BONN, Sept. 18.

THERE were growing signs in West Germany this weekend that a bitter interparty dispute over terrorism and internal security will erupt once the affair of the kidnaping industrialist, Dr. Hanns-Martin Schleyer, has ended.

Carter says he has open mind on Lance

BY DAVID BELL

WASHINGTON, Sept. 17.

PRESIDENT Carter said to-day among themselves and some that a "strongly prejudiced mind" about Mr. Bert Lance, his beleaguered budget director, but added that he thought Mr. Lance had "enhanced his position" with his three-day appearance in Congress which ended last night.

Greek poll in November

BY OUR OWN CORRESPONDENT

ATHENS, Sept. 18.

PRIME Minister Constantine Karamanlis has decided to call general elections in November, responding to the opposition allegations that his New Democracy party has lost much of its popularity and his government has failed to deal effectively with the country's problems.

NEW YORK'S PRIMARY A question of coalitions

BY JOHN WYLES

NEW YORK, Sept. 18.

THE Democratic Party's protracted race for nomination for Mayor of New York totters to its climax to-day with the field whittled down from seven candidates to two and the odds in the primary run are tightly shaded in favour of congressional Representative Mr. Edward Koch.

U.K. to press Europe on sugar pact

By Robin Reeves

BRUSSELS, Sept. 18. DR. DAVID OWEN, Foreign Secretary in Brussels, is expected to persuade the British Government to accept the EEC sugar pact...

U.S. output fell in August

THE U.S. industrial production index fell last month for the first time in seven months...



There have been a few Changes in Banking since their Time - for instance, the Development of the Euromarket.

Advertisement for Bayerische Landesbank Girozentrale. Text describes the bank's services in the Euromarket, including international banking, currency exchange, and investment services. Contact information for the bank's offices in Munich and London is provided.

A collection of small, partially visible advertisements at the bottom right of the page, including one for 'Continental' tires and another mentioning 'Solidated Go'.

WORLD TRADE NEWS

Port curbs feared as Yugoslav deficit soars

Released by the Statistical Office here, Yugoslav foreign trade figures for the first eight months of 1977 indicate that the deficit in trade measures...

GENEVA TRADE TALKS

Gatt negotiators under pressure to succeed

ONE of the standard passages in the set speeches produced by the director-general of the GATT (General Agreement on Tariffs and Trade) over the past few years has concerned the need to move forward in trade liberalisation...

Practs

Canadian Department of Communications and Services is planning a major postal project at two in Montreal, the from the Ministry of and Transport in the of parcel handling and ment for the new in Kingston.

Success of boycott claimed

MR. MOHAMMED Ahmed Mahgoub, commissioner-general of the Arab Boycott of Israel, said here that 80 per cent. of world companies have abided by boycott regulations.

Leyland German sales managing director

BRITISH LEYLAND has taken a further step towards the re-organisation of its German sales organisation by the appointment of Mr. John Gardner as managing director.

Turner and Newall expands in Nigeria

Turner and Newall is to expand its production capacity for construction materials and is extending its plans to build an automotive components factory in Nigeria, at a total cost of around \$8m.

Economic Indicators

Table with columns for Unemployment, Inflation, and other economic indicators for August and July 1977.

Whisky jobs claim void

By Kenneth Gooding THERE IS NO evidence to support the claim currently being made by some trade unionists that the export of Scotch whisky in bulk is costing 8,000 jobs.

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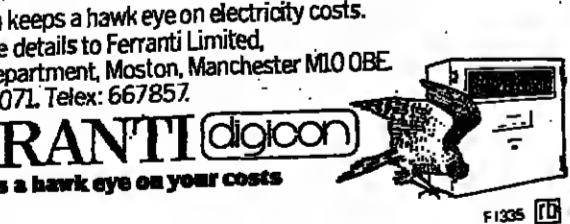


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Advertisement for Consolidated Gold Fields Ltd. featuring a \$25,000,000 10 year Currency Exchange Agreement with Continental Bank.

HOME NEWS

Boatbuilders again call for VAT cut

BY STUART ALEXANDER

NEW CALLS to the Government to reduce the rate of Value Added Tax are being made by the boat-building industry. As the Southampton Boat Show opens to-day there are signs that the export lifeline of the past two years is falling, forcing the industry to look once more for a firm home base. The show is well supported by more than 400 exhibitors, but behind the bunting there is apprehension over what could be a difficult autumn. In recent years, boat builders have looked to exports to compensate for slack home sales, benefiting at the same time from the weakness in sterling. This has proved only a temporary haven from the recessionary storm, however, as markets such as Scandinavia and Italy

More Home News on Page 29

have dried up while in France, local producers have responded to the British challenge. There has been a similar reaction in the U.S., where freight rates have, anyway, proved a severe disadvantage. Sales in Germany, Holland and Belgium have merely been maintained at their previous levels. Although exports are estimated at £108m. for this year, compared with £51m. in 1976, the whole industry is not expected to achieve a turnover of more

Small-home loans scarce

BY MICHAEL CASSELL, BUILDING CORRESPONDENT BUILDING SOCIETIES are not compensating for the drop in local authority mortgage lending because of public expenditure cuts, the Association of Metropolitan Authorities claimed yesterday. Mr. John Mills, the association's housing committee chairman, said that a survey of its members showed that there were still difficulties because many societies refused to help home buyers at the lower end of the market. "Few members are really satisfied with the situation. Most

Post Office drafts code of practice

By John Lloyd, Industrial Staff

THE POST OFFICE has completed the first draft of a code of practice, stating the public's rights of redress against the corporation for errors which may embody new rebate provisions. The draft is now being studied by the Post Office Users National Council, the statutory consumers' body. The council has put up a long list of proposed points for the code, some of which are not wholly welcome to the corporation. The Post Office has few objections to codifying its complaints procedure. However, it is concerned about suggestions from the council that rebates should be mandatory for faulty service—a practice which is, at present, wholly discretionary. The first draft of the code is thought to concede the possibility of telephone rental charges being repaid for a period when a telephone is out of service. But there appears to be no movement towards any rebate on lost or damaged letters or parcels. The Post Office has emphasised in the past the difficulties of ascertaining whether a letter or package was damaged while in its care.

Car warranty plan by Fiat

By Terry Dodsworth

FIAT U.K. is launching a new warranty scheme for selected used cars. It will be available throughout its 350-strong dealer network. Autocover, which follows the Fiat Mastercover plan for new cars, marks a further step in the manufacturer's struggle to win more sales by improving the guarantee of quality to the customer. The plan breaks into two parts. The first, Autocover "A", may be applied to used Fiat vehicles less than three years old and with less than 48,000 miles on the clock at the time of sale. The "B" scheme covers vehicles of any make up to five years old and with fewer than 48,000 miles recorded at the time of sale. Warranty work may be carried out by any Fiat dealer.

Poster plan defended

LONDON TRANSPORT has defended its decision to allow contraceptive advertisements to be displayed in underground stations and disused that it had suggested empty poster sites for the promotion to the advertisers.

Shoppers are buying dearer foods again

BY JOHN LLOYD

CONSUMPTION of dearer foods has generally recovered from the sharp fall in their popularity after the 1974 miners' strike. There is a trend away from cheaper foods. An analysis of foods trends over the past three years in the September report of Market Intelligence (Mintel) says that "the last two years have seen a return to the pre-1973 pattern, when cheap foods were declining slowly as the nation was becoming wealthier." Mintel's list of cheap foods includes white bread, porridge, sausages, and chips. Sales of these grew in volume by 5 per cent. in 1974, but lost that increase in 1975-76. The expensive foods—including poultry (other than broilers), breakfast cereals and dressings—saw a 15 per cent drop in sales in 1974. That decline has since been reversed and in some cases—fruit juice, cereals and honey,

Greenwell forecasts new growth in money supply

BY MICHAEL BLANDIN

RENEWED GROWTH in money supply is expected in the coming months by stockbrokers W. Greenwell after last month's standstill. In its latest monetary bulletin Greenwell argues that the figures for August were "erratically low." Looking ahead, it says: "We expect monetary growth to recover in the month to mid-September and probably also in the month to mid-October, in spite of the large calls on gilt-edged stock already sold."

Two factors

The Bulletin singles out two factors likely to be important in the immediate future. In the September banking month the inflow of funds across the foreign exchange markets would be very important. In the following month, the money supply would be boosted by a central government borrowing requirement likely to be erratically high to reflect the income-tax rebates. Figures published last week showed that the sterling element of money supply on the wider definition (M3) was virtually unchanged on a seasonally-adjusted basis in the month to mid-August. Greenwell draws attention to the special factors which helped

Phase Two pay rises below 10%

By Peter Riddell

CONFIRMATION THAT the increase in average earnings during the full 12 months of Phase Two of the pay policy was comfortably below 10 per cent will be provided by official figures published to-day. Otherwise, the main economic indicators due to be published this week are unlikely to provide as comforting reading for the Government as last week's compilation of favourable retail and wholesale price indices and a record current account surplus. The main figures are unemployment for mid-September and gross domestic product for the second quarter, both due tomorrow, and revised estimates of capital investment and stocks for the second quarter, due on Thursday. Average earnings rose by 8.9 per cent during the first 11 months of Phase Two. The outcome for the full year is likely to be between that figure and 10 per cent. The 12-month rate of increase reported in June was 9.7 per cent. The rise in the index between June and July may have been held down to some extent by the postponement of agreements until after the end of Phase Two. This compares with an original Government projection of a rise of around 7.5 per cent. While some of the difference is explained by higher than expected overtime, there may also have been some slippage and earnings drift as workers moved between companies. The indicators of the real economy have not been encouraging in recent months with Gross Domestic Product falling in the second quarter according to the initial estimate based on output data. This has had the result that unemployment has started to rise steadily again after levelling off for much of the winter and early spring. In August, the total number of adults out of work in the UK was 1.41m., seasonally adjusted, or 6 per cent of the workforce. Most economists expect a further rise until well into next year.

Industrial map of Manchester

THE INDUSTRY of Greater Manchester should be plotted onto large-scale maps by the end of the year. This is the target set by the publishers, Market Location, which is gradually mapping the whole of British industry. The maps, giving seven inches to the mile will cover the county of Greater Manchester. It is expected that between 10,000 and 15,000 industrial buildings will be shown.

Newspaper price rise

SATURDAY editions of the London Evening News will cost 10p from next week. This is due to "vastly increased production costs," said the newspaper, part of Associated Newspapers. The News recently increased its Monday-to-Friday price to 8p.

Gatwick flights to be increased

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH AIRWAYS plans to make much more use of Gatwick Airport, with scheduled services to five major overseas cities—Copenhagen, Dublin, Düsseldorf, Frankfurt and Zurich—to be launched from it in April. This is to help the Government's plan to raise the status of Gatwick, and to use more fully the capacity of 16m. passengers a year which it can handle after its £100m. modernisation scheme. But at the same time, the airline is concerned at the growing number of independent companies seeking to fly scheduled services between Gatwick and overseas destinations and it is moving rapidly to ensure that it is not pushed out of these routes. Airlines which already fly to the Continent from Gatwick include British Caledonian and Dan-Air Services. But British Island Airways and others are applying for routes out of Gatwick, and it is feared that, unless British Airways moves now, it could find itself faced with heavy competition. The airline has appointed Mr.

Trident cracks will take more time

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

REPAIRS to the 19 Trident Three jets of British Airways grounded because of cracks in their wings are expected to take longer than originally expected. The last of the aircraft is not likely to return to the fleet until around next February. This is likely to cause the airline considerable problems in fulfilling schedules during the next few months, and it may have to charter aircraft from other operators, or perhaps buy a small number of second-hand Boeing 727 or 737 jets. The effects on the airline of the shortage of aircraft are at present being masked by the continued strike of air-traffic control assistants, which has cut the flights the airline can make by about 40 per cent, obliging it to consolidate some flights and cancel others. The strike is costing British Airways well over £1m. a week in lost revenue. When the strike is over and the airline returns to a full flight schedule, the aircraft shortage will become acute. It will then have to look for substitutes. The Trident faults came to light some weeks ago during routine inspections. Of 25 jets was given once for tests, but subject about half required further rigorous tests and additional cracks, which more serious than first expected. These faults resulted in the ground 19 aircraft, for much extensive repairs and actions. These are being carried out by British Airways engineering workers at new Airport and by the factories, Hawker Siddeley Aviation, at Hatfield. Repairs mostly take place each wing to strength area where the crack has been found. The airline is also en for the longer term by caused the cracks in it place, and whether this Trident Three will shorter working life earlier Tridents. If this is so, it is expedite the airline equipment plans. No Tridents would be expected to have remained in service 10-15 years.

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ABOUT NEWS

Wash looms reforms eyland

Smith, correspondent. CARS has placed a collision course 20,000 workers at Birmingham...

ACAS 'not a block to pay rule breach'

BY NICK GARNETT, LABOUR STAFF. THE ADVISORY and Conciliation and Arbitration Service said yesterday that if a union and an employer together agreed to break the 12-month rule to settle a dispute, ACAS, as conciliator, would not stand in their way.

Playboy probe broke law

BY OUR LABOUR STAFF. THE Advisory, Conciliation and Arbitration Service has admitted breaching a regulation set out in the Employment Protection Act when it dealt with a union recognition issue at the Playboy Club in Park Lane, London.

Grunwick pay claim to be heard

By Our Labour Staff. THE ASSOCIATION of Professional, Executive, Clerical and Computer Staff, the union involved in the Grunwick dispute, will have an application on wages and conditions at the factory heard by the Central Arbitration Committee early next month.

75'S FINANCIAL DIARY

Table with columns for various companies and their financial data, including income units, dividends, and interest payments.

CHRISTOPHER MORAN GROUP LIMITED

Extracts from the Chairman's Statement. The policy of the group, as now constituted, is to continue the expansion of the insurance activities, which have the advantages of positive cash flow and little direct dependence on sterling and are to a great extent proof against inflation.

FINANCIAL TIMES

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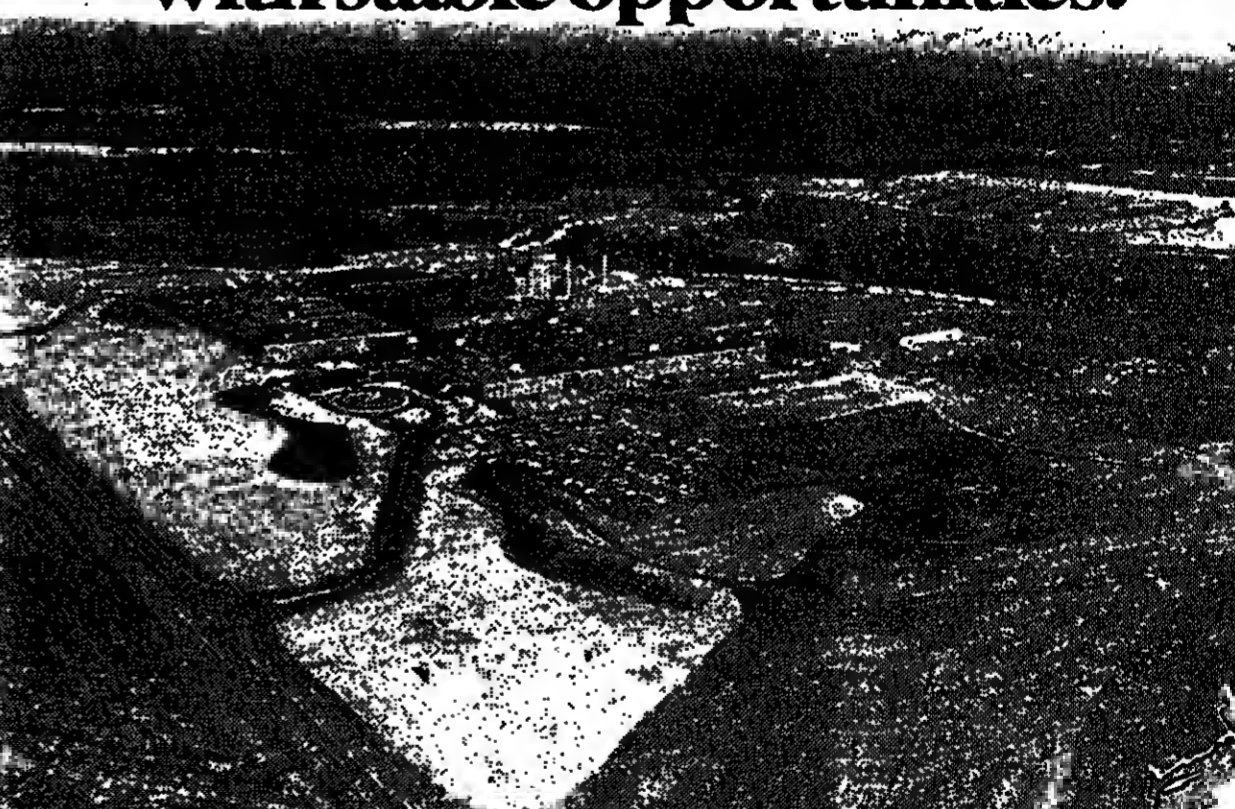
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# Building and Civil Engineering

## £7m. contracts in Scotland

THREE contracts totalling over £7m. for civil engineering and building work in Scotland have been awarded to Fairclough Construction Group.

The largest, worth nearly £4.3m., is for improvement work on the A9 Perth-Inverness trunk road between Crubenneth and Kinnisnie, for the Scottish Development Department. Consulting engineers are Sir Alexander Gibb and Partners.

## £3m. order from Saudi Arabia

ABOUT £3m. worth of accommodation units designed for use in extreme climates are to be supplied by Lesser Building Systems Export to Fairclough at Midani Company, a Saudi Arabian associates company of the Fairclough Construction Group. The accommodation will house personnel working on a big contract in Saudi Arabia and will include bedrooms, an en-suite block, kitchen and dining facilities, laundry and cold stores.

## Protecting a pipeline

D. ANDERSON AND SON (BPO Industries Group) has won an order in Nigeria for 1m. square metres of its Thermoseal outer-wrap. The order, placed by Mumtaz of Milan, main contractor, is worth over £1m.

The outer-wrap is glass based, coal-tar-impregnated and is to be used to protect an oil pipeline currently under construction in Nigeria. Delivery of the material will continue at monthly intervals until March, 1978.

## Effluent plant

WORK has begun on the Milk Marketing Board's new Sever-side Creamery at Stoebohouse, files. It will be one of the largest and most modern in the country and will produce both butter and milk powder.

Acalor International, of Crawley, Sussex, is to design and install the effluent treatment plant. This plant is designed to handle an effluent discharge of 400,000 gal./day with provision for future extension to 800,000 gal./day. The contract is valued at over £400,000. Main contractor is John Laing Construction.

Acalor is also providing an effluent balancing, aeration and flow recording scheme for the Milk Marketing Board's Alfreton creamery. This contract is valued at £120,000.

## Engineering block at Harlow

LARCEST AMONG the £3m. worth of new contracts recently secured by Rush and Tompkins is one for £1.6m. for a four-storey engineering block to be erected at Harlow for Standard Telephones and Cables.

This 5,000-square-metre facility will have a pre-cast concrete frame and air conditioning throughout combined with double glazing. Standard Life Assurance Company is spending £300,000 on the group for a two- and four-storey shop and office building at Cillingham, Kent.

The Bristol office has also won a £300,000 contract. It is from W. H. Smith and Son and is for the partial reconstruction of one of the latter's local premises. The Westbury office is working on a contract of similar size for the Raglan Housing Association, covering houses and flats at Westbury.

## Housing in London

COSTAIN Construction has been awarded a £2m. contract by the Greater London Council to build 140 new homes at Usk Road, Wandsworth. The scheme comprises 66 two-bedroom flats in one four-storey "U" shaped block which will include an old persons' meeting room and a further eight two-storey blocks containing 74 two- and three-bedroom houses. The centrally heated homes will be of traditional brick construction with pitched tile roofing.

## £4.4m. flats and houses

GOUGH COOPER AND CO. has won housing contracts totalling £4.4m. from the Greater London Council, the City of Leicester, the London Borough of Lambeth, the London Borough of Croydon, the London Borough of Havering and the Orbit Housing Society.

The £655,000 Greater London Council contract is for 48 three-bedroom houses and two four-bedroom houses adjacent to St. Joseph's School, Crayford, while for the City of Leicester, the building has been designed by G. R. Toogood, and the work is scheduled to commence in early October and take two years.

## Offices for British Gas

UNDER a contract worth about £1.2m. Willett is to erect a six-storey office building as part of the redevelopment of 20, Katharine Street, Croydon, Surrey, for the British Gas Corporation.

The building has been designed by G. R. Toogood, and the work is scheduled to commence in early October and take two years. Erection of a reinforced concrete framed building with precast concrete panel cladding is called for and a basement car park will be constructed adjacent to a link-way to nearby SECAS House.

## Food store and flats

KEY MARKETS has received planning permission for a 28,618 square foot superstore in London Road, Romford, Essex. Construction will commence in October with an expected completion date one year later. The store, which will trade as one of the company's Super Key Food Centres, will have extensive fresh food and grocery departments; on-site parking will be provided beneath and adjacent to the sales area to accommodate 187 vehicles.

A building contract has been negotiated with Bovis Construction based on its Fee System. Included with the development will be a block of flats, also to be constructed by Bovis and it is anticipated that these will either be sold as a block to the local authority or disposed of individually to the general public. Architects for the scheme are MacFarlane Lack Parker Lawson.

## Engineering block at Harlow

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## Offices and dwellings in Qatar

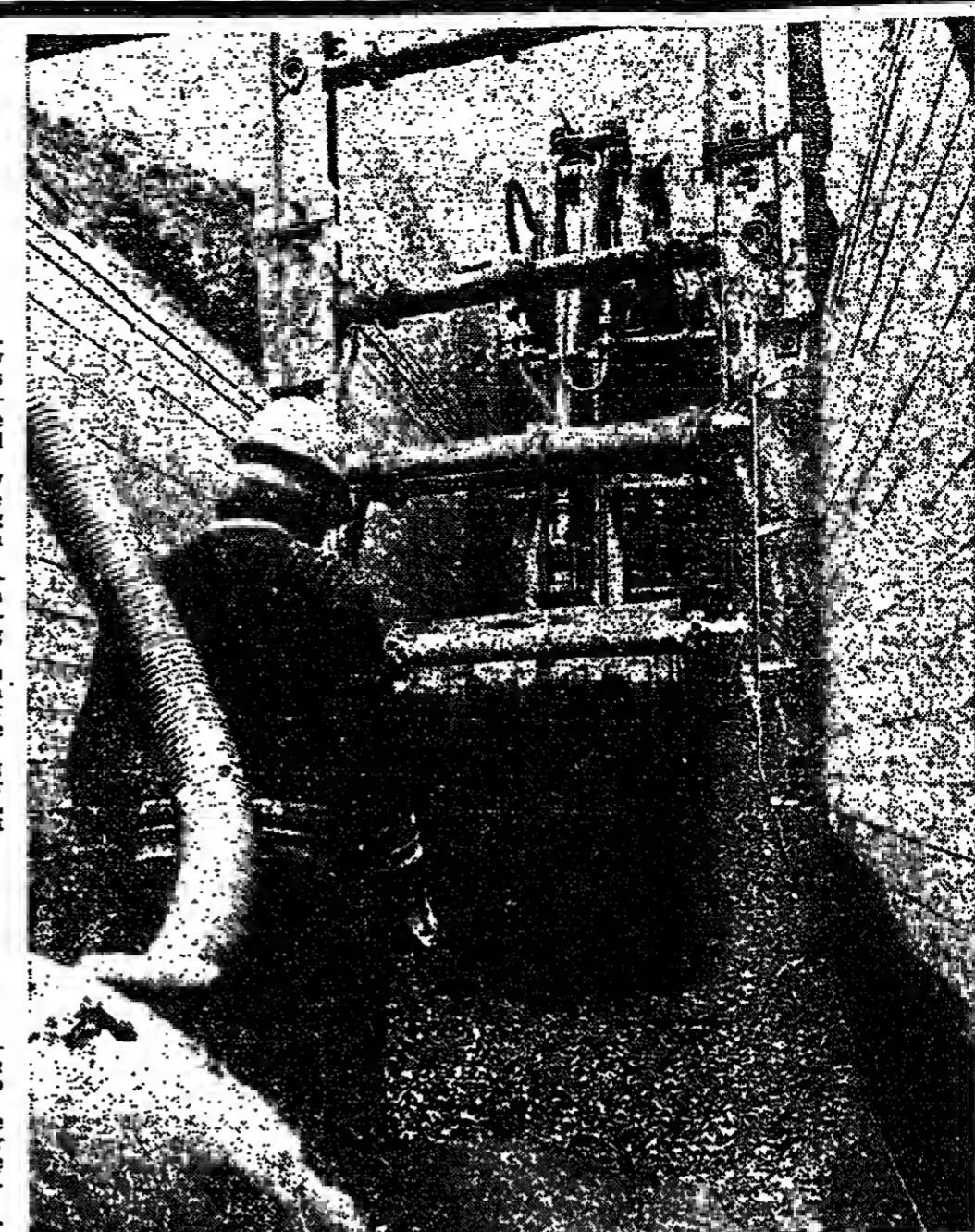
TWO LARGE construction projects in Qatar, worth an estimated £12m., have gone to BKW Middle East. This is the subsidiary, in the area, of Bas Kallis Westminister Group and Land and Marine Construction, and it is a U.K. group member company. Before the end of the year, work is expected to start on the two projects. The first is a ten-storey circular office block. This project is intended to have its own underground car park facilities.

The second project calls for a major residential development. This will have 50 dwelling units. Amenities will include tennis courts, swimming pools and other recreational facilities. BKW Middle East is undertaking this large development project in partnership with His Excellency Sheikh Nasser bin Khalid Al Thani.

## Materials testing service

A MATERIALS testing and advisory service has been set up in Dubai by R and D Construction Services, a partnership formed by John Laing Research and Development, the Expanded Metal Company and the Material Marketing Company of Dubai.

Facilities will be provided for carrying out standard tests on soils, concretes, aggregates and other building materials. Contracts for the supervision of quality control are to be sought. The Design Office Consortium, which is an association for promoting the use of computers in the building industry, will carry out the work with the help of Alcock Shearing and Partners. There will be a performance specification of FORPA available in October by arrangement with DOC for those urgently requiring to make use of existing experience. A service will be offered with the publication to provide test data, monthly indices in advance of publication and information on changes to programs or formulae. The cost of this service will be announced soon and there will be benefits to members of LAMSAC and of the Design Office Consortium. The latter will also be offering access to the DOE REVOP program for formula price adjustment on the Honeywell Mk. III bureau. This is one of the programs on which FORPA is based and it should be available with direct access to monthly indices, from October. Design Office Consortium, Guildhall Place, Cambridge, CB2 3QQ. 0223 311248.



## Less danger digging trenches

DEMONSTRATIONS of newly introduced trench shoring equipment designed to speed the operation and yet lessen the risk of accidents were given in Leicester last week by Shorco Trench Systems to civil engineers and representatives of construction companies and local authorities.

One piece of equipment, the superstore horizontal hydraulic shoring machine weighs 11 tons and is for use where heavy sheet piling would normally be required. The unit has two blades which are driven forward to cut the trench line while the usual type of excavator used for trenching operations digs the soil from between the two blades. Either a pile-lined trench can be left behind or pipes can be laid in it and the trench immediately filled. The machine is silent and is available only on hire with an operator.

Another item of equipment, which is being imported from Germany, is an Escon box which has been designed to make it much safer to dig trenches in wet ground or where the elements of danger are increased by the type of soil being excavated. By using the Escon equipment, contractors are able to excavate and shore in one operation and avoid putting men in the trench before shoring is completed. The box is preset to the required trench width and placed in position by the excavator which then digs inside it, pushing it down to the required depth. Width is adjustable from 0.5 to 4.5 metres and by using

top sections a depth of 6 metres can be achieved. Sheet piles and shoring timbers are not needed. Shorco also demonstrated a device called a Drag Box. This is drawn along by the excavating machine and is claimed to enable workers to fit pipes in total safety. Back filling of the trench can follow immediately after the pipes have been laid. This equipment has been designed for fast excavation in good ground conditions.

Shorco, which has its headquarters at Contax House, Dewsbury Road, Churwell, Leeds LS27 5PR, reckons that apart from the labour-saving aspect the equipment will appeal particularly because of its elimination of the risk of men being injured or killed by trench wall collapse.

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## Chemical plant in Libya

A LARGE consultancy contract between The G National Organisation for triadisation, Socialist P Libyan Arab Jamahiriya White Young and Partners into force last week.

The contract covers the vision of the design and location of a major chemical plant at Abu-Kammash. The U. K. project office will be at St. Herts.

Work has already started on the site following the award of a £300m. turnkey contract to a consortium of West German companies led by Salzgitter in and including REID Ltd Philip Holzmann and Ind.

The plant will produce chlorine, caustic soda, sodium hypochlorite and chloric acid. Completion in late 1980.

Amex Bank, merchant's subsidiary of American International Banking Corporation, has provided the bonding and guarantee fee.

## Fan noise reduced

TOO OFTEN cooling in city buildings use air noisy fan designs which inconvenience for the occupant and considerable annoyance to the neighbourhood.

Atholl Engineering is using a series of fan coils with four-pipe air and side control and has applied knowledge of enclosure to reducing environmental noise.

The units have diameter cross flow fan uniform discharge velocity able to assume high inlet even where exposed low noise ratings law specified.

Five basic sizes up to cooling come in 200mm lengths from 400 to 1200. Atholl Engineering, Clements Road, Folee, GB15 5PE. 0202 747919.

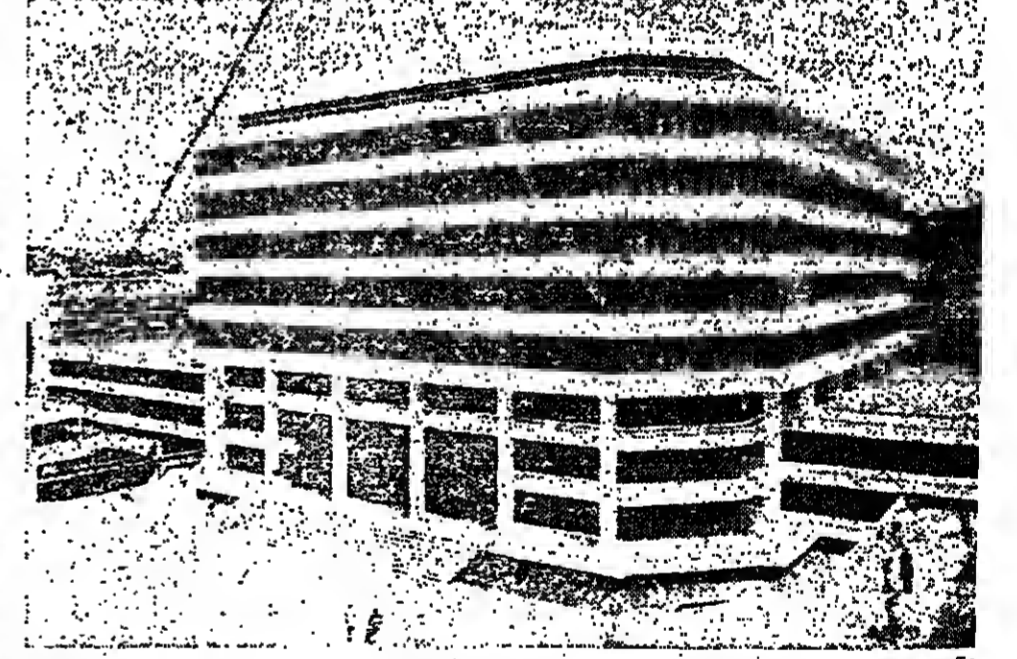
## Adjustment of costs

TO AID contractors, quantity surveyors and computer departments to produce programs which handle NEDO monthly indices for adjustment of building contract costs, a detailed guide is to be published by the Design Office Consortium at the end of 1977.

This will include a FORTRAN code of subroutines based on experience gained with Government and Local Authority programs. With relatively little effort, a program can be produced from the publication containing the features required by a particular user on his own computer system.

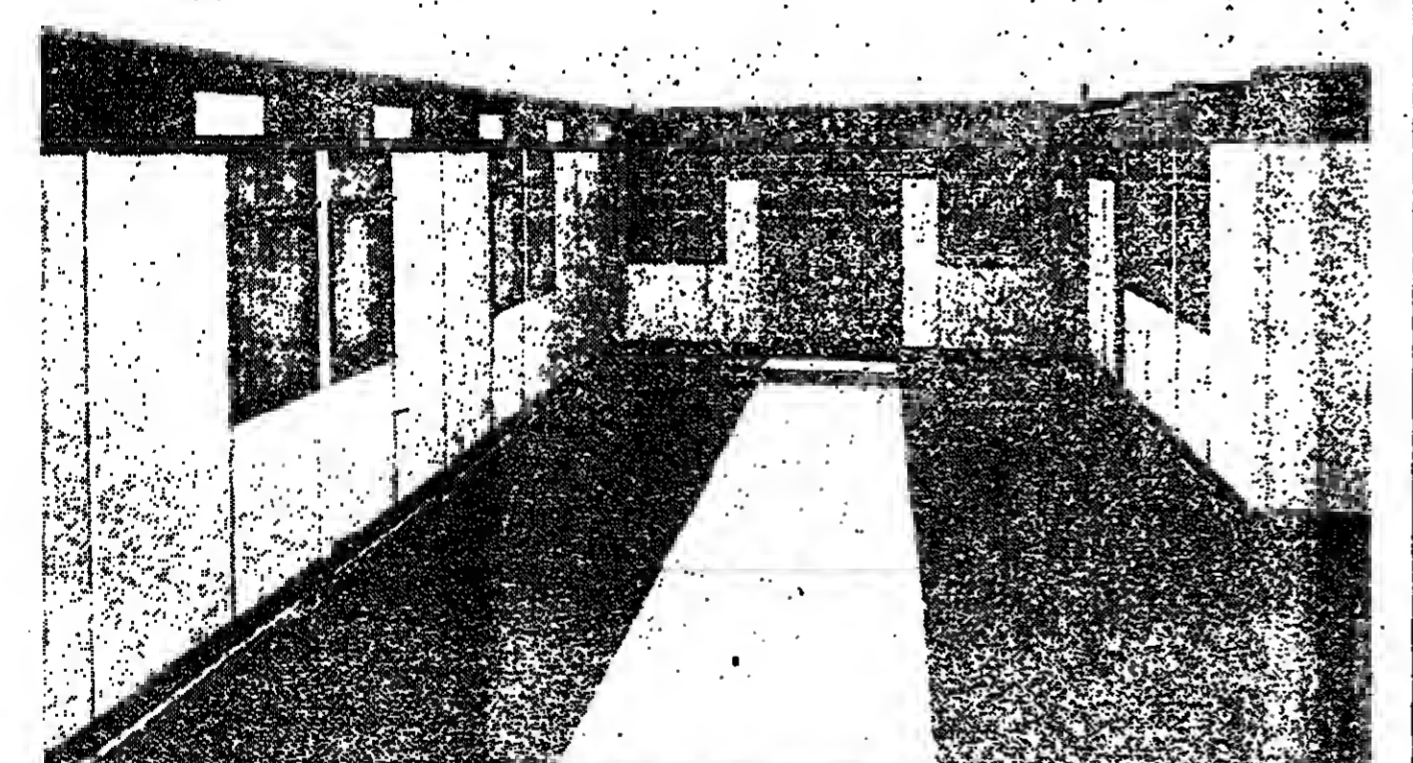
The routines, described in the publication by a detailed specification and FORTRAN code, will be known as FORA. The work is commissioned by the Department of the Environment Property Services Agency and the Local Authorities Management Services and Computer Committee (LAMSCAC).

The Design Office Consortium, which is an association for promoting the use of computers in the building industry, will carry out the work with the help of Alcock Shearing and Partners. There will be a performance specification of FORPA available in October by arrangement with DOC for those urgently requiring to make use of existing experience. A service will be offered with the publication to provide test data, monthly indices in advance of publication and information on changes to programs or formulae. The cost of this service will be announced soon and there will be benefits to members of LAMSAC and of the Design Office Consortium. The latter will also be offering access to the DOE REVOP program for formula price adjustment on the Honeywell Mk. III bureau. This is one of the programs on which FORPA is based and it should be available with direct access to monthly indices, from October. Design Office Consortium, Guildhall Place, Cambridge, CB2 3QQ. 0223 311248.



Amex House, Brighton, Sussex, the new European headquarters for the American Express International Banking Corporation. This picture shows the southern aspect of the block for which the main contractor was Taylor Woodrow Construction. Architects are Gullins Melvin Ward Partners in association with Peter Wood & Partners.

are Gullins Melvin Ward Partners in association with Peter Wood & Partners. The quantity surveyors were H. R. Heasman and Partners. The building will eventually house about 100 employees.



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Please let me have full details of Terrapin unit buildings and portable cabins. Post to: Terrapin International Group of Companies, Bond Avenue, Blitchley, Milton Keynes MK1 1JJ.

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## Industrial premises

DIMSDALE Development (South East) is to carry out a £800,000 industrial development at Wandsworth, London.

The scheme is on a one-acre site in Carrat Lane and planning consent has been obtained for 24,291 square feet of industrial and warehouse space. Construction of three units of 5,356 square feet, 7,094 square feet and 11,840 square feet is to be started within the next few weeks.

H. A. Westmores of Hertford has been appointed main contractor.

## Building sheet plant

NIGERIA IS fast becoming one of the most industrialised countries in equatorial Africa and to match demand for basic materials now arising there, Turner's Building Products (Emene) is to raise the capacity of its sheet material plant by more than double, from 22,000 to 47,500 tonnes per year at a cost of £1.1m.

New work at the plant in Anambra State will demand the installation of a second machine for the production of asbestos-cement sheeting and the erection of an asbestos fibre store.

In Kaduna State, the plant of Turner's Building Products (Arwa) will be raised from 20,000 to 49,000 tonnes per year. Capacity in terms of sheeting output by the installation of a £3.1m. sheeting machine.

Cash for the Anambra expansion has been raised locally while that for the Kaduna project is coming from local and a share issue.

Demand for building materials in Nigeria is estimated at rising about 12 per cent a year. The venture by Turner's and N companies show they meet this and also complete up to some of the structural backlog.

Both plants are expected to start production in 1978. 90 per cent of the materials (cement) from sources.

Turner's Engineering (Nigeria) has announced to extend original sheeting machine to produce asbestos-cement sheeting material.

## Colloidal concrete

WORK DONE in France at Centre d'Etudes et de Recherches de l'Industrie des Liantes Hydrauliques on light colloidal concrete has been aimed at promotion of new materials based on a hydraulic binder.

L.C.B. is composed of cement sand, a colloid and an air and water carrier. When mixing, the product creates a multitude of bubbles; the object of the colloid is to reduce the air pressure in these bubbles by strongly increasing the viscosity of the mixture in order to reduce the diameter and increase the number of these.

After mixing, a material which is very thixotropic in its fresh state is produced, shear threshold remains than that of a reference concrete for a long period. Thus, it can also be projected on walls to make a thin, single layer rendering.

It has started to market products and mixers for the rapid preparation of material on an industrial scale.

One supplier has liquid products and products in powder, ready to use, in this case only necessary to mix a product with the sand, and water.

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Component Quality Inspector

*W. G. Palmer*  
Wally Palmer  
Shop Steward

*J. Zimmermann*  
Janis Zimmermann  
Charge Hand

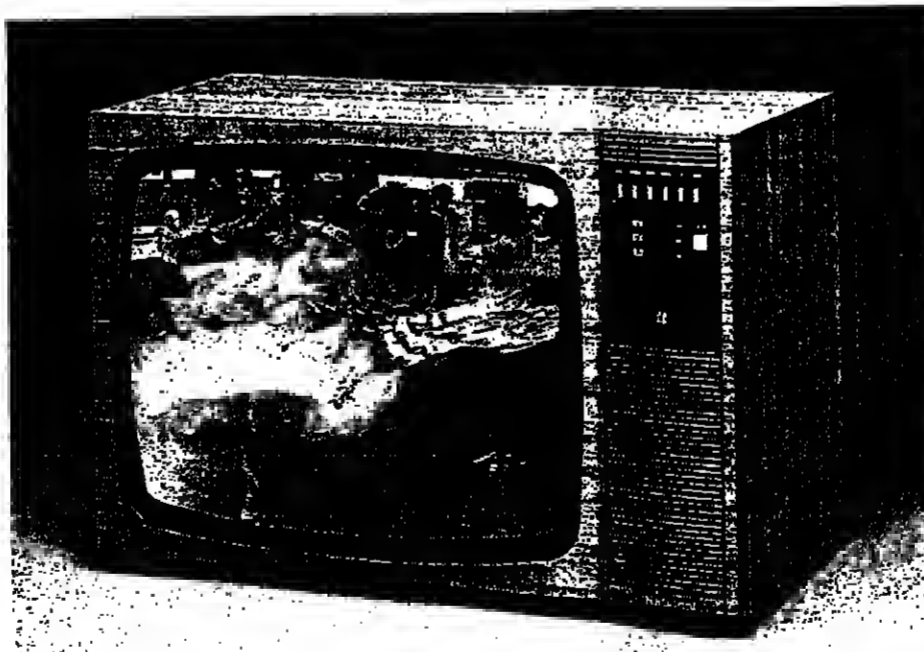
ng before we sold our first colour TV, y twenty years ago, we already knew who ig, famous competitor was: Mother re herself.

we acted accordingly. "Take a look at vering cherry tree," we said to the designers. l find a way of capturing its delicate ring." It was easier said than done, but did it.

Japan, people think nothing of travelling reds of miles to view the cherry blossom. was only natural that National Panasonic should become bestsellers there. As they remained to this day.

1918, Konosuke Matsushita founded our company with £15. Today s about 100,000 employees around the world. So Brian, Janis, Penny, ie, Wally and their colleagues in our new British colour TV factory a wealth of international experience to draw upon.

r example, they work to designs from the team which gave the d its smallest colour portable. Not to mention National Panasonic's



Simulated picture

famous "Magic Line."

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The set shown is our new 22" TC-2201. Every part of it, from the tube to the tiniest transistor, was individually checked. Testing thousands of components costs a lot more than the random-sample tests many makers settle for. But we think the extra time and money well spent.

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The Executive's and Office World

EDITED BY CHRISTOPHER LORENZ

Ameron looks at the changing of women's careers the impact of the Government sex equality legislation

Women's place . . . outside the home

Months after legislation to help and advise employers on ways of improving opportunities for women...

The legal position is also becoming clearer. This may seem paradoxical in view of decisions like that in the Clay Cross Quarry Services case...

For instance, legislation now forbids employers to sack a woman just because she is pregnant and needs time off to have her baby...

Another factor is that women may be unwilling to accept any extra responsibility while their children are young...

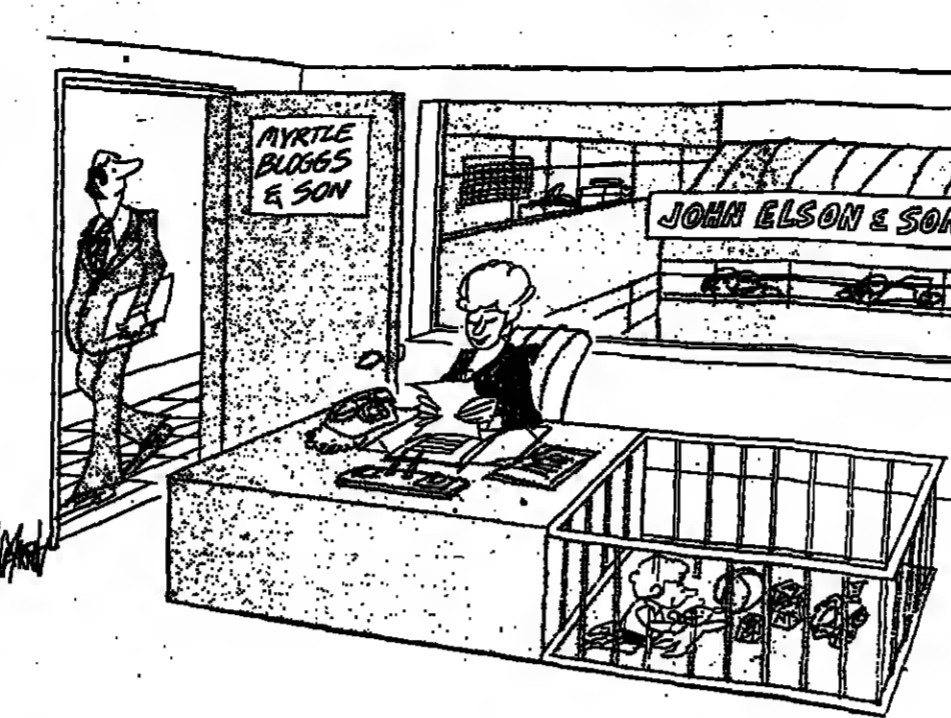
Some women may want to take a completely different career path when they go back to work after rearing families...

Perhaps the attitude of the commissioners and their unwillingness to take a stand is summed up by Mr. Eric Robinson, director of Bradford Polytechnic and himself a commissioner. He explained that it was not the EOC's job...

The EOC's first annual report has dragged its heels, he said. "For us to be seen to oppose government bodies would be a most extreme step."

The EOC has also chosen to provide guidelines for industrial companies, rather than codes of practice which it is empowered to introduce...

The most obvious solution to the problem would be to appoint commissioners who are not so closely tied to other vested interests...



Only five of them are branch managers but Lloyds says it is anxious to have more women bankers. It has already started sending female clerical staff on special Industrial Society courses...

Barclays Bank claims that it is also looking at the career patterns of its women employees and it has appointed a woman staff manager to put over what it calls "the women's point of view."

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must make an effort to take advantage of the chances that are now being offered. Mobil is another company that seems to be doing its best to encourage women to take on traditionally male jobs...

Trust Houses Forte tried to pay the waiters at its Heathrow Post House more than waitresses doing similar work by calling the men "banqueting assistants."

Some of the industrial training boards, by contrast, have adopted a commendably positive policy. The Engineering Industry Training Board, for instance, has launched a scholarship scheme for 50 girls to train as technician engineers...

The Equal Opportunities Commission went twice to the MSC last year to protest about date is assessed below.

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The Equal Opportunities Commission went twice to the MSC last year to protest about date is assessed below.

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AL Opportunities mission has dragged its heels, he said. "For us to be seen to oppose government bodies would be a most extreme step. I think that at present we must have a moderate...

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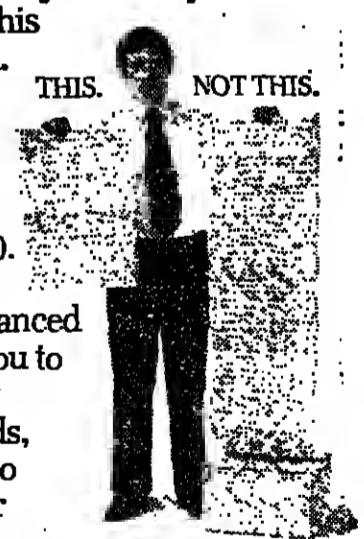
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# FINANCIAL TIMES SURVEY

Monday, September 19 1977

حکامان اللّاحل

# U.K. Banking

A major turnaround in financial markets has occurred during the past 12 months, with the pound strong, unprecedented inflows of foreign currency, an improving current account and a sharp decline in interest rates. But industrial activity and consumer demand have remained low and growth in bank lending has been slow.

contrast between conditions in financial markets where the pound has been better illustrated in the last few days. Interest rates have been rising and a strong flow of foreign currency has been coupled with a current account surplus. Evidence of a last in the rate of contribution to the phoria in financial markets. In contrast, retail only just started to rise in the lowest levels and industrial output nearly four

The result has been seen not only in foreign exchange markets where the pound has been firm for most of the year with the official reserves rising by \$10.7bn. to \$14.8bn. but also domestically in a sharp fall in interest rates with the clearing banks' base rates down from 14 to 7 per cent.

The improvement in confidence rested on the belief that a number of key economic factors which had been deteriorating were being swiftly corrected. At one level, there was concern about the level of public spending and the impact of large-scale public borrowing on the growth of money supply. The rapid growth in the public sector borrowing requirement in the mid-1970s, to well above forecast levels, had undermined confidence that three separate packages of spending cuts in 1976 were necessary.

The imposition of cash limits on spending, has been so large that expenditure has run at well under planned levels. Consequently with revenue boosted by inflation, the borrowing requirement is now clearly under control — and indeed many economists, notably the National Institute, argue that not only is the borrowing requirement a perverse discipline

happened to reduce the rate of inflation. In spite of the effectiveness of phases one and two of the pay policy an improvement was delayed by the impact of the sharp fall in sterling last year. But now the turning point has clearly come with the 12 month rate of increase in the retail price index expected to fall steadily during the autumn from the peak summer rate of

17.7 per cent down towards the official target of a 12 to 13 per cent rise by December. But the policies necessary to bring about these results have not been costless for the level of economic activity. The rate of economic growth so far this year has been negligible: in fact, Gross Domestic Product has fallen slightly in real terms. The strict fiscal stance adopted by the Government, the tightening of public spending controls and actual cuts, have all contributed to the low level of activity. This has also been

affected by the clear commitment to tight monetary policy, as reflected in the record interest rates of last autumn and the reimposition of the corset controls. The implications of all this for the banking community are that while the financial constraints and climate in which the banks operate have changed considerably in the last year, the under-

ing fell by £140m. between January and April which was in turn associated with the reversal of these leads and lags. As these factors have worked through the system and interest rates have fallen, bank lending has started to recover. The rise in the late spring and early summer seems to have been explained primarily by borrowing by retailers and wholesalers, ensure that monetary expansion is within the target range for the time being. Indeed with demand for bank credit remaining moderate the corset controls were imposing no immediate restraint on most banks and were suspended in mid-August. There has, however, been some concern among City analysts that the combination of a revival in bank lending and a continuation of the recent heavy inflows of foreign currency from overseas could put pressure on the targets.

## Little real change

By Peter Riddell, Economics Correspondent

### Requirement

In practice spending and borrowing were both coming under control even before the December package was introduced. The borrowing requirement for 1976-77 turned out to be more than £3bn. less than projected at the start of the financial year. And in 1977-78 borrowing has so far been well within the £3.7bn. ceiling.

The impact of the associated tightening of controls, in part,

in itself but that the ceilings adopted have produced an unnecessarily contractionary influence on activity.

The revival of confidence has also rested crucially on an improvement in the current account as North Sea oil production bulges up. The deficit has declined from £1.4bn. last year down to £404m. in the first eight months of 1977 with a move into substantial surplus—possibly of between £1.5bn. and £2bn.—confidently expected by all economists for next year.

Behind all this has been the

lying business conditions have probably reflecting the involuntary stockbuilding of the period, and by individuals rather than by manufacturing companies.

The rise in bank borrowing has so far not posed any threat to the Government's monetary targets. These are the 9 to 13 per cent range for the growth of sterling M3—the broadly defined money supply—during the current financial year, and the £7.7bn. ceiling for domestic credit expansion over the same period. The large sales of gilt-edged stock during the last couple of months have helped

the current view in financial markets is that there will not be a wages explosion but that average earnings will rise by between 12 and 17 per cent. in the year to next July compared with the official target of a 10 per cent. increase—an unhealthy high rate of inflation but not disastrous with the benefits of North Sea oil beginning to accrue.

### Uncertainty

Inflation provides the key to many of the discussions about the future course of the economy. This factor is obviously less immediately important than if the U.K. was still in sizeable current account deficit. But uncertainty about the level of pay settlements during the coming year clearly creates doubt not only about the prospects for single figure price inflation next summer but also about the hopes of halting the steady rise in unemployment at some stage next year.

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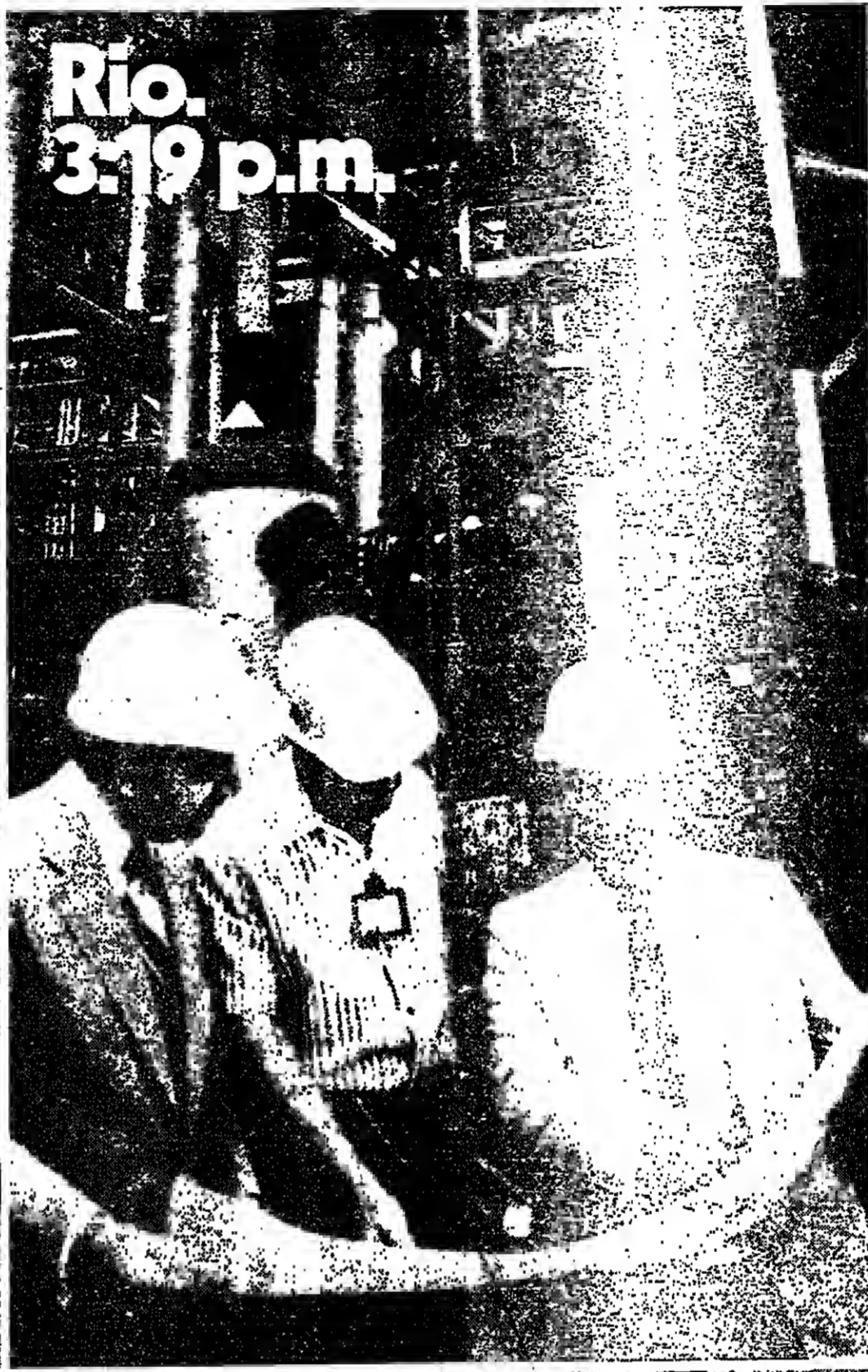


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Rio  
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London  
9:12 a.m.



Chicago  
10:27 a.m.

**Tokyo. 6:07 p.m.**

K. Furuhata, Fujitsu (left); and H. Tsurumaki, Bank of America, engage in a thorough review of Fujitsu's expanding program of electronic exports and discuss the necessary documentation.

**Rio. 3:19 p.m.**

(L to R) J. A. Mano Silva, Bank of America; Frederico Bernardo Muller, Refinaria Duque de Caxias; and Orlando Galvão Filho, Petroleo Brasileiro S.A., meet to analyze the Petrobras expansion program for the exploration and refining of petroleum.

**London. 9:12 a.m.**

Claire Taplett and James L. Rawlings of Bank of America discuss the role of Bank of America International Limited, the Bank's wholly-owned merchant banking arm, which specializes in investment management, syndications and underwriting.

**Chicago. 10:27 a.m.**

(L to R) Ken Green, Bank of America; Clayton Banzhaf, Sears, Roebuck and Co.; and Bob Gordon, Bank of America, structure a short-term line of credit to meet the requirements of Sears' Latin American operations.

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LEGISLATION

# A new relationship

LEGISLATION TO put into effect last year's proposals for the supervision of the U.K. banking system is expected to be introduced during the new session of Parliament. The new regulations will mark a fundamental change in the relationship between the authorities and the banks, bringing in for the first time in this country a universal structure of licensing for institutions which take deposits from the public and codifying the techniques of control under the Bank of England. The principles, set out in the White Paper published in August last year, have been generally recognised to be a valuable and necessary step in improving the protection provided for depositors, in bringing the U.K. into line with the systems to be operated in the Common Market and in providing a basis for reducing the dangers highlighted by the

they are accorded the status of a recognised bank. In effect, this sets up a two-tier system of recognitions which is one of the controversial elements of the proposals. The status of a recognised bank will carry certain important advantages. Though exempted from the licensing requirements, those institutions which achieve this position will be subjected to strict supervision on the lines which the Bank already exercises over banks under its control. For most of those likely to be included, however, this will mean no more than continuing with the essentially informal and flexible relationship which they are already accustomed to maintain with the authorities. And banking status will carry with it the important right to use the name bank or its derivatives. Exactly which institutions will eventually qualify has yet to be settled, and there is likely to be some argument at the margin. It is clear, however, that the criteria which the Bank will adopt will probably bring into this category those banks which have authorisation under the Exchange Control Act—those which have exemption from certain requirements of the Protection of Depositors' Act (section 127 status) and those which are recognised as banks under schedule 8 of the

1948 Companies Act in being allowed to maintain hidden reserves. It is also clear that banking status will be regarded as an important privilege. The position of the licensed deposit-takers under the new legislation will be different. At present, it is by no means sure how many of these there will be. Many of them will be organisations which at present are not supervised by the Bank either formally or informally, and they may not have any representation in the City. Estimates of the numbers have ranged up to around 2,000 or so; but they could be less, depending partly on how far these organisations are prepared and able to meet the conditions which are laid down by the legislation and by the Bank in order to qualify for a licence.

Normal

This category will, however, certainly include quite a lot of institutions which have been accustomed to carry on at least some of the normal functions of banking, including for example the issue of cheques and books. And it is this proposal which has aroused concern, particularly among the finance houses and among some organisations such as the smaller savings banks outside the Trustee Savings Bank network. They

remain various possible ways in which this could be carried out. One example is provided by the U.S. system of the Federal Deposit Insurance Corporation where the banks contribute a premium basis against the danger of losing deposits. This, however, is a number of disadvantages: the point of view of the authorities; it would mean the funds would take some time to build up to a level which could be regarded as adequate to carry conviction, and it implies that those responsible for running the fund would be getting involved in a role of organising operations for failed institutions or encouraging and helping organisations to merge. At the other extreme of the big banks would provide simply a guarantee called on only on occasion arose. This is a snag that the fund would not have resources to provide income to cover its expenses and the moral disadvantages of an institution which goes into difficulties would be one which made a contribution to paying depositors. The general thinking has been towards setting up a fund of limited size which would provide a guarantee backed by government securities and deposits of the banks and depositors. Even if this is accepted, it remains a number of details to be specified in the arrangements to be introduced by the legislation. They are the basis on which contributions to the fund should be calculated to the extent to which they should be provided. It is likely that provisions made to exclude deposits—funds left with institutions for example by their families—will be limited to a maximum of £10,000 of any deposit. A case is recognised for providing coverage to individuals rather than corporate deposits and for providing coverage only for a proportion of individual holdings.

Michael Bl



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LENDING

# A return of confidence

THERE HAS been a consistent if unspectacular upward trend in bank lending over recent months. The underlying movement has been confirmed by the latest figures published by the London clearing banks, indicating that an overall rise of 19.2% in their advances to U.K. residents during the three months to mid-August was about twice the amount expected on seasonal grounds. And there are some reasons for suspecting that this may understate the trend, in a period when the clearing banks were becoming relatively rather more expensive than other sources as providers of funds. Nevertheless the general picture of developments over the past year is that demand for loans has remained relatively sluggish, in line with the general state of the domestic economy. Over the 12 months to mid-August, the London clearing banks' total domestic lending rose by only 12.3 per cent, substantially less than would have been needed to keep up with the level of inflation during that period. Manufacturing industry, the main target of official encouragement, showed a rather bigger rise of over 20 per cent.

But even in that area of their activities, the big banks have continued to report that they have seen little convincing evidence of a real upsurge in demand for new funds to finance expansion, rather than simply a requirement for finance to support working capital needs at inflated prices. The situation in the banking system has allowed the Government to meet its own financing requirements with relative ease and, in the end, to keep the growth of monetary aggregates well within the targets set for the last financial year. It may be that a renewed upturn in lending to the private sector, perhaps encouraged by the present low levels of interest rates, will again raise the frequently voiced concern over the danger of private sector needs being crowded out by public sector demands for finance. The recent developments, however, have been a marked contrast with the grave worries which were developing a year ago at a time when the U.K. was building up to the crisis which led to the application to the international Monetary Fund. Part of the background to these developments was an increasing commitment to publicly stated monetary targets, finally adopted as part of the agreement made with the IMF at the end of the year. At the same time it was becoming clear that the country had been experiencing a rate of growth in the monetary aggregates, partly reflecting an exceptional increase in bank lending, which was far too high for comfort.

These points were expressed earlier this year by Lord Armstrong, the chairman of Midland Bank. He said in his annual statement: "We are not entirely convinced that the clearing banks need contribute to a deposit protection fund. Such a fund is quite unnecessary so far as the clearing banks are concerned; and if it is thought to be necessary for other deposit-taking institutions, it seems to me that equity suggests that those institutions should provide it." It is, however, clear that some sort of fund is regarded as an essential element in the new system, though there

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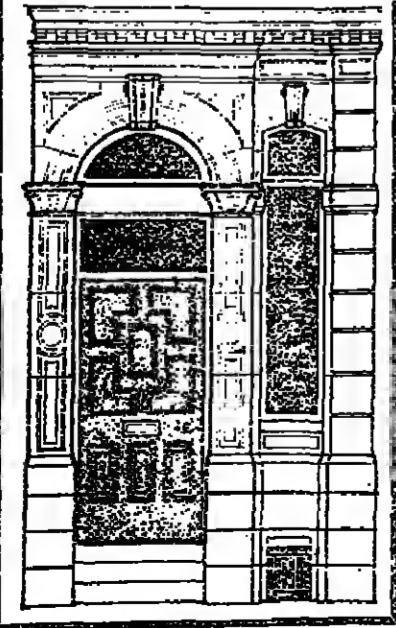
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Barry Riley

# A bitter harvest

end of 1973 the big banks to ensure the safety of the system in time of difficulty among banks, an up-threatened the Swiss banks made their backing available, if needed, to Crédit Suisse after its serious losses in the Ticino region.

Another legacy of the crisis is the long-term question of how such a debacle can be effectively prevented in future. Issues about the appropriate system of control and supervision over banking and the City continue to be debated and will be a key subject for Sir Harold Wilson's committee which is now reviewing the country's financial institutions.

The past year has seen some further progress in reducing the scale of the lifeboat support system run in partnership by the Bank of England, which takes a 10 per cent share, and the big banks. The total on loan from this combined operation is now down to about £650m., mainly to the largest two borrowers, United Dominions Trust and First National Finance Corporation. This compares with some £1.2bn. at

the zenith in late-1974 when the leading commercial banks called a halt to any increase in their commitment to the lifeboat.

However, there have been certain changes in the way the support is provided, notably through the Bank of England's having taken a principal—and costly—role in the past year in handling the problems of the Slater Walker Securities and Edward Bates groups. The troubles of Slater Walker emerged only in late 1975—after the resignation of Mr. Jim Slater, the chairman—and by then the lifeboat itself had been closed to new passengers by the big banks' refusal the previous autumn to take on board any further responsibilities.

The Bank of England has thus shouldered the burden, in its traditional role as ultimate protector of the financial system, of supporting—and recently even taking over—the authorised bank in the Slater Walker concerns (the banking remains of which have more than £300m. of lifeboat Arrow Group). It has also, in a similar way, participated financially in the reconstruction under Arab control, of the effectively collapsed Edward Bates concern.

1976-77 has also witnessed the logging up of yet further losses—though often on a

reduced scale—for the shareholders and owners of various secondary banking concerns which suffered, not only from a cash outflow, necessitating backing from the lifeboat, but from heavy write-offs in their assets, notably property.

The total losses have been such that many secondary banks have over the last three-four years either collapsed completely and been wound up—as with London and County Securities (whose troubles triggered off the crisis), Triumph Investment Trust and Burston Finance—or been absorbed into larger groups or reconstructed in greatly diminished form.

However, some companies have now made quite considerable progress towards recovery, despite losses, while still retaining the same independent existence as before the onset of the storm. The largest is United Dominions Trust, the big finance house—headed for the last three years by a former senior clearing banker, Mr. Len Mather—which still has rather more than £300m. of lifeboat on loan. FNFC, particularly hard hit, has written off a very large amount of lending and continues to make losses, while the bankers now running it make no bones about regarding the future with uncertainty.

Other remaining lifeboat borrowers include the much-

reconstructed JH Vavasseur Group, which now has plans for a merger with its Mills and Allen International subsidiary. Late last year Wallace Brothers, which faced serious losses on its property book, was taken over by the big Standard Chartered Bank in a move to forestall dangers of a loss of confidence in Wallace.

Ironically, one of the first casualties of the secondary banking storm, Moorgate Mercantile, whose difficulties in December 1973 preceded the launch of the lifeboat and which therefore did not benefit from it, has lately returned to quoted status on the stock market. This was after a long period of receivership, rounded off in March 1977 when Mr. Rupert Nicholson, a leading accountant, concluded his receivership following agreements with the company's creditors and the injection of funds by the U.S.-controlled First Fortune Holdings.

But the most dramatic development of 1977 in the long saga of the secondary banks has undoubtedly been the Bank of England's further involvement in the case of Slater Walker, where it had earlier made loans of £70m., and guarantees of £40m., available. The Bank has now fully taken over Slater Walker Ltd., the group's authorised bank, along with certain property, and has committed

approaching £30m. for the purpose.

It is a striking fact indeed that the remnants of one of the most controversial of the past two decades' financial operations has ended up in the lap of the central bank, the Old Lady of Threadneedle Street herself. Clearly the move has been made by the rescue authorities, headed by Sir Jasper Holloway, the Bank of England's Deputy Governor and skipper of the lifeboat, to prevent the stir which the newly looming collapse of Slater Walker again threatened this summer.

The scale of the Bank of England's bill for this and the other parts of its campaign to control the banking crisis is not yet fully known. Its accounts for the year to February 1977 show that £16.2m. was set aside for possible losses on support operations, by itself or with the other banks. But the true cost in 1976-77 was probably higher, since this figure was struck after taking credit for an unspecified reduction in earlier provisions against gilts and other securities. In 1975-76 £14.3m. had been provided against the cost to the Bank of lifeboat operations, while £9.8m. was set aside in the previous year. Further provision will certainly be needed in the current year for the Slater Walker and Bates cases.

The Bank of England has also put up millions of pounds to make good, with some help from a previous shareholder, First Arabian Corporation, the large deficiency in the authorised

## BANK SHARES

### No great demand

erkinness on some part of clearing has gone hardly towards restoring supply guidelines, although at least the banking "corset" has been removed.

Against this background, analysts are predicting a significant reduction in second-half profits from domestic clearing banking, while the outlook for international banking is also less buoyant than recently. On the other hand, the bad debt problems which originated in the 1973-74 crisis are having a lessening impact on results, and some subsidiaries (notably in instalment credit) actually benefit from lower interest rates.

The bearish argument is that the clearing banks have still not faced up to their fundamental problem of an excessively high cost structure at a time when so-called endowment profits are fading after a period of some years of unusually high interest rates.

Moreover, the banks are still wrestling with the concepts of inflation accounting which indicate that their published profits have been much too high, and that current tax laws (which do not offer banks the concessions enjoyed by manufacturing companies) make it impossible to maintain an adequate capital base, without resort to rights issues. The banks strongly objected to the original Morpeth inflation accounting proposals, but the latest revised proposals may allow financial companies to provide for the impact of inflation before striking operating profits.

The bullish argument is that clearing bank share prices have by now adjusted to the more hostile environment—they yield about 0.5 per cent more than industrial shares, for instance. But even on this view the stock market may wish to see the clearers institute economies and raise their current account charges.

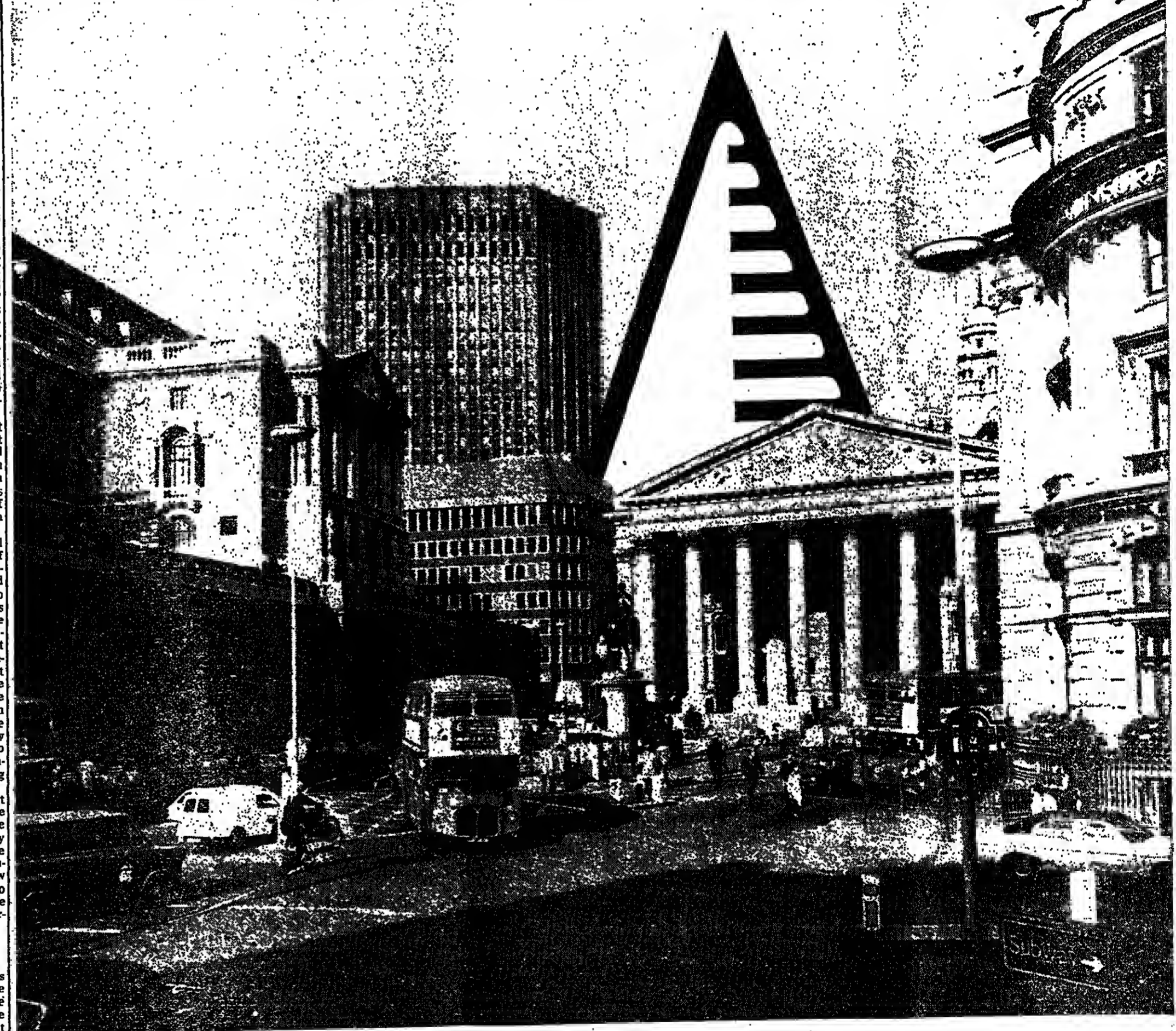
#### Difficult

For the moment this step is made more difficult by the current Price Commission probe into bank charges. But some clearing bankers do not rule out the possibility that once the full facts are made known—arguably, current accounts are being cross-subsidised by borrowers and by seven-day depositors at present—their band may be strengthened.

Turning to the merchant banks, the booming stock market is influencing on their favourable operations. Besides bringing direct investment profits, and a boost for the returns from their investment management operations, higher share prices may in due course encourage a revival in new flotations and takeover activity, though on the other hand rights issues have been falling away in most cases strengthened their balance sheets.

Moreover, merchant banks with large money market operations will have done well out of the extended period of declining money rates. So the outlook for merchant bank share prices is reasonable. At the same time, though, lending is far from buoyant, and the stronger pound and weak commodity markets will have made some international activities less attractive.

Barry Riley



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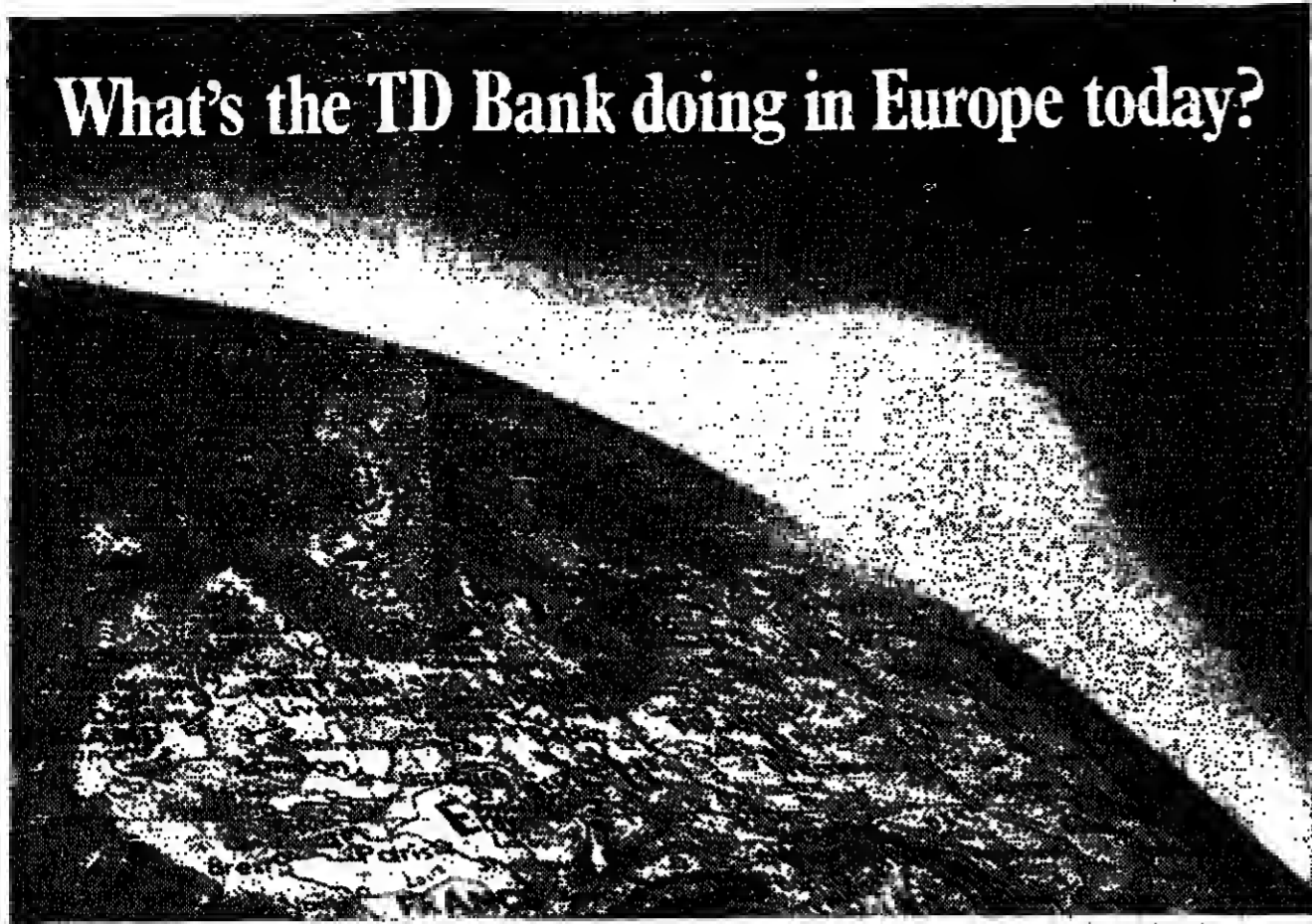


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New rules begin to bite

FURTHER IMPORTANT steps have been taken this year in the long and complex process of putting into effect the regulations of the Consumer Credit Act. The time taken up over the implementation of the detailed rules under the Act since it was passed in 1974 and the extensive consultation and discussions between the authorities and the various sections of the credit industry have been clear indications of the difficulties inherent in such a wide-ranging piece of legislation.

The regulations, which came into effect on May 15, provide in essence that consumer borrowers covered by the Act are able to find out what credit reference agencies have on their books as information about them, and to insist that anything which appears incorrect should be put right. Borrowers are able to write to the lender or hire purchase company asking for the name and address of any agency which has been used, and to see copies of the files relating to their own record.

At the same time, another important section of the Act was put into force, covering the so-called "extortionate credit bargains." These rules are designed to protect the borrower from being put upon by being charged excessive rates of interest in other ways. And they give the courts power to re-open any credit bargain which requires grossly exorbitant payments or in other ways grossly contravenes ordinary principles of fair dealing.

Others among the series of rules introduced put into effect specific details of the Act. They include, for example, rules which make it illegal to send documents to minors inviting them to borrow money or buy goods on credit or hire, and the regulation which prevents the sending of unsolicited credit tokens such as credit cards. They also include the rules which from October 1 will prevent canvassing of cash loans in the home or door-to-door except in special circumstances.

Another potentially powerful instrument was provided when the regulations covering the joint liability of suppliers and creditors were put into effect. This provision concerns agreements regulated by the Act where the lender has an arrangement with the supplier of goods to provide credit to the customer. In a normal hire purchase transaction, it is the finance house itself which owns the goods and makes a contract with the customer, and if the goods prove defective, the customer's claim would be against the finance house.

The licensing process has been delayed because of the volume of work involved and the slow early response of those concerned. But the second stage of the issue of licences is now well under way, covering the major lenders including banks and finance houses, shopkeepers and anybody else who lends in the course of business. By October 1 all of these will have to have a licence or at least a valid application lodged with the Office of Fair Trading.

Perhaps the most significant at least in relation to the degree of controversy aroused in the past, are the provisions covering credit reference agencies. These were announced in March by Mr. John Fraser, the Minister of State for Prices and Consumer Protection, as part of a series of measures which he described as marking "the largest step yet taken in implementing the Consumer Credit Act."

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The protection does not apply, though, where the finance house lends money to the consumer rather than entering a hire purchase agreement. The new protection will help people who may be caught on loan agreements when, for example, a central heating installation or a freezer falls to work and it proves impossible to claim against the supplier because he has moved or gone out of business. If the purchase was financed by a loan under a previous arrangement between the supplier and the lender, then the creditor can

have been withdrawn at rest are still being considered. An essential step to enabling licensing to go ahead was taken with the publication of the definitions of which of credit agreements are exempted by the Act and which are not. Five general exemptions are made: normal trade credit; cost credit (at an annual rate not higher than 15 per cent); foreign trade, land transport, repayable in four instalments or less, and certain mortgage lending including building societies and authorities.

Significant

FOREIGN BANKS

Most roads lead to London

ON JULY 4 Amsterdam Rotterdam Bank, one of Holland's largest banks, opened its first London branch. A couple of days later Dr. Ludwig Huber, president of Bayerische Landesbank Girozentrale, officially opened his bank's London representative office.

U.S. banks alone control \$50bn.—considerably more than the London clearing banks (£37bn.). The foreign banks' business is by no means all offshore. Of the total advances to U.K. residents (sterling and currency) of £36bn., foreign banks account for just over £10bn.; for the sake of comparison the London clearing banks account for £14.9bn., the Scottish clearing banks for £3bn., and the accepting houses for £1.5bn. Foreign banks play a major role in financing British industry. Out of the £8.7bn. of advances to U.K. manufacturing industry, they account for £2.9bn. and the clearing banks for £3.9bn. In certain sectors, such as the chemical industry, foreign banks lend more than all the U.K. banks put together.

The two events are significant because until then both of these banks, which rank amongst the biggest in the world, had been conspicuous by their absence. Their arrival has coincided with a sharp upsurge in the numbers of foreign banks moving into the City. According to 'The Banker', which keeps a regular tab on these things, around 30 overseas banks have hung up their nameplates in the city since the end of last year. At the time of its last annual review of foreign banks in November 1976, 'The Banker' estimated that there were 265 foreign banks directly represented in the City. Since then the number has grown rapidly.

By contrast a foreign bank which had to raise its funds on the international market and pay 13 per cent for a "distress" loan. However, interbank rates now amount to 8 per cent and after the latest cut in base rate to 7 per cent, a foreign bank can still raise cheap money on the interbank market and pay very effectively.

Despite the growth of business in satellite European centres, London still lies at the heart of the Eurocurrency markets, and here business is booming. According to Morgan Guaranty, medium-term Eurocurrency bank credits in the first seven months of this year totalled \$19bn.—some 13 per cent up on last year's record levels. In the Eurobond market the story is much the same. New issues in the January-July period amounted to \$11.1bn.—a third higher than last year—and activity picked up considerably between the first and second quarters.

Another area where banks are looking for growth in ECGD guaranteed currency-buyer credits. Last year U.K. buyer credits were denominated in £50m and generally confined to banks. The margins were fantastic but it was good business. However, the Government has now decreed that bulk of new buyer credits should be done in Deutschmarks. To state this switch foreign banks are now encouraged to participate in arranging and financing new deals.

Against this sort of background it is not too difficult to explain the recent influx of foreign banks. But the size of their current involvement in the City is rarely appreciated. Of the U.K. banking system's total assets (including foreign currency) of £184bn., the foreign banks account for £100bn. Within this total the

clearing banks. Until clearers, foreign banks rely on sizeable amounts of account money to the expansion of their loan portfolios so they have been actively issuing certificates of deposit. Foreign account for just under 12 months to July increased the value of the standing CDs by nearly 10 per cent.

It is hard to pinpoint any special reason for the latest influx. A couple of years ago the number of foreign banks in the City actually fell as institutions cut back their international operations following the oil crisis and the Herstatt collapse, both of which led to great uncertainty to the foreign exchange markets. For a time the international banking community seemed to lose its confidence and all the talk was of "retrenchment." Some banks even closed up shop in London and returned home.

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However, as the world economy climbed out of its recession in 1976 confidence has clearly returned. The volume of world trade after falling by

4 1/2 per cent in 1975, rose by 11 1/2 per cent last year and although the growth rate is likely to slip to 6 per cent this year the latest round of inflationary packages in Germany and Japan should ensure that the world economy does not sink back into recession.

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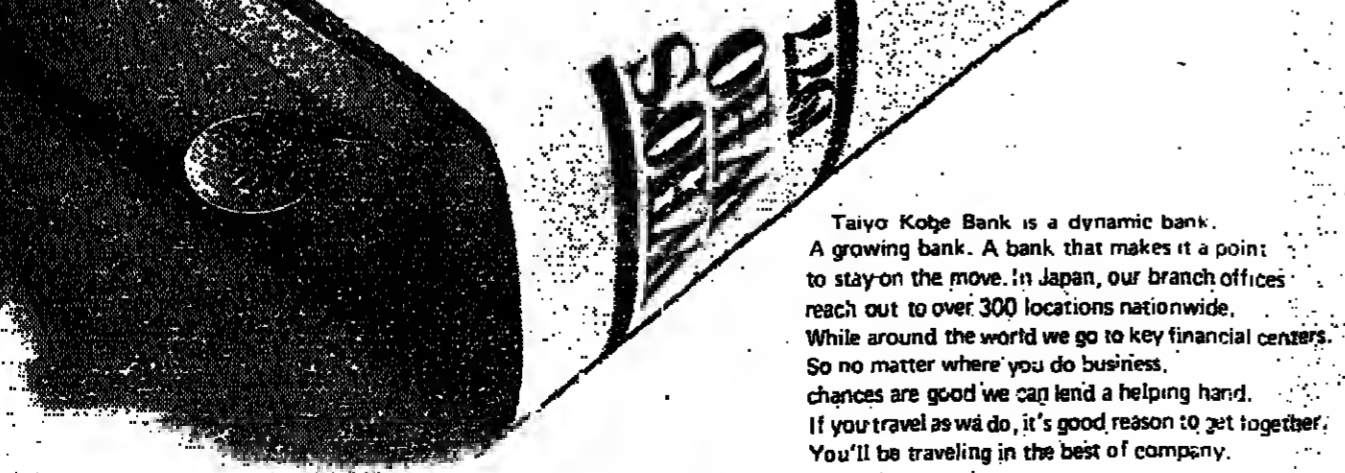


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# Wary of future predictions

...ING at \$1.55 in a fairly healthy condition. They tended to be traders in gilts rather than large investors, but the improvement in conditions this year led to renewed investment in Government securities.

Discount houses hope to make profits by a favourable margin between the cost of their borrowed funds and their investments—otherwise known as a running profit. They also make capital profits on their investments, and the scope for making these has probably never been better, as MLR has fallen by over 7 points since the beginning of the year.

Making a running profit has not been too easy, however, largely because of the heavy downward pressure on interest rates, which has not always met with the approval of the authorities.

Heavy demand for Treasury bills from outside the discount market created just such a situation in February, and this threatened to push down MLR against the wishes of the Bank of England. The discount houses have little option but to toe the official line, but there is no similar constraint on bids from outside the market. The greater the demand for bills, the larger the downward pressure on MLR, and this can give rise to a situation where the houses are penalised for a situation beyond their control.

**Limitations**

Because of the limitations placed on the houses, situations arise where they are unable to obtain Treasury bills at the Friday tender, and are therefore forced to bid for bills in the market, depressing interest rates still further at a time when the cost of borrowed money is geared to the much higher level of MLR.

The houses must maintain their holdings of Treasury bills in order to fulfil the terms under which the Bank of England grants the lender of last resort facility.

In February and March the market-related formula for calculating MLR was suspended, resulting in an unfavourable relationship between the average cost of money and the

return on investments. A similar situation developed at the beginning of September as the authorities intervened again to stem a fall in interest rates they considered excessive.

The Bank of England did not resort to suspending the formula in September, but the cost of day-to-day funds was kept relatively high by the authorities during this period. No discount house welcomes a situation where it cannot make a running profit, but the reason there have been no cries of anguish this year is because capital profits have been so good on investments picked up at the higher rates of interest ruling earlier in the year.

Rather in the same way that selling the furniture in order to eat is no long-term answer to malnutrition, so capital profits of this order do not provide a secure base for the houses. These large profits will disappear after a few months of low interest rates, since the houses do not usually hold long-term paper such as long-dated Government stock.

Not all houses have made running losses, however, and even those which have found the situation not to their liking on occasions have been amply compensated in what should prove to be a very good year overall.

One of the biggest houses reports that it has made a running profit at all times during the first nine months of the year, and was still reasonably well placed during the difficult period at the beginning of September, when the authorities maintained very tight conditions in the market as part of the strategy to 'hold up' interest rates.

The differential between London and New York interest rates had all but disappeared for some periods in early September, and although some observers felt that the nadir in rates must be near, others were still prepared to contemplate a further fall.

When the low point is reached it should be possible for all the houses to enter a period of steady running profits, even though the opportunity for really big profits will have gone.

**Different**

In much the same way the various houses take different views on the future development of their market. The bigger and perhaps more aggressive houses are looking further afield for their business and can see continued room for expansion outside their traditional trading with clients within the banking system. This is all part of the growing adaptability which some sections of the market would like to foster.

As to the future, conditions still look as uncertain as ever, even though sterling is very firm, perhaps too firm for the good of British industry. Money has poured into London recently, and a large part of these foreign funds has been attracted into the gilt-edged market, a movement which at least has the virtue of not pushing up the money supply.

Other inflationary dangers remain, however, including the future level of wage increases. Against this must be set the benefits of North Sea oil, giving rise to arguments among economists about whether sterling should be allowed to rise or fall. At the same time, the money market is debating how low interest rates can fall and at what point they may have to rise. The authorities look on apprehensively as conditions in the money market help to fuel a general euphoria. Would anyone care to predict the next 12 months?

Colin Millham

Detail

BANKS

ds lea London

## CONSORTIA

# Changing definitions

...CEPTION of consortium has changed considerably in recent years, and it has probably been when the expression is used in the very simple way that it covers institutions which have very little in common other than having one shareholder.

Now, however, more banks in this category, and size and category of which vary widely. One group include among its members leading European, and North American banks, another may be ment for setting up a consortium bank in the U.S. activities are essentially another may have a middle East flavour. The rationale behind the setting up of a consortium bank is considerably. Regional activities is what some diversifying risk is another re about and Libra, essential element in favour of ng in Latin America, setting up a consortium bank:

is as good an example as any. However high such a bank's reputation stands, and in this case it is very high, it cannot compare with such giants in the business such as Orion and European Banking Company.

Conversely a group of banks from a particular area—regional U.S. banks for instance—might want to get into the Euromarkets.

Consortium banks can also provide a convenient vehicle for domestic commercial banks to get a share of the Eurocurrency business. Another good argument for setting up a consortium bank is to exploit a new area of technology: the Banque Internationale pour le Financement de l'Energie Nucléaire and the International Energy Bank are cases in point.

The argument in favour of consortium banks is another re about and Libra, essential element in favour of ng in Latin America, setting up a consortium bank:

the stake the shareholders have in a particular consortium bank. Some consortium banks have as many as 18 shareholders, others as few as six. Not all shareholders have the same stake: for instance in the case of Orion, Mitsubishi Bank and Credito Italiano have a 10 per cent stake, the other four banks a 20 per cent one.

Each shareholder has an equal stake of 14.3 per cent, in European Banking Company. But size is not all, expertise counts a lot: successful consortium banks are moving into the field of merchant banking, where they will be competing with the old-timers. Orion's achievement is well symbolised by its lead managing the recent Babcock and Wilcox \$35m bond.

Both these banks have also proved, by their performance over the past few years, that it is all very well for consortium banks to be left with deliberately vague business objectives when they are set up, but the quality of management in focusing on areas of development and speciality is essential if the bank is to make headway.

The joking remark, "scratch a consortium bank and you will find a potential merchant bank not far below the surface" must be taken seriously to-day, at least for those banks which have moved into a position which commands attention and respect. That is the achievement of David Montagu at Orion and Stanley Yassukovitch at European Banking Company.

There will always be room for the smaller more specialised banks, of which Libra is the best example. There will always be a need for banks with special Middle East connections and expertise. But what is one to say of the many consortium banks which appear to be, if not dormant, at least moving along slowly? Maybe the answer is a matter of semantics. The expression "consortium bank" has perhaps not outlived its usefulness but a new expression should be found to describe the successful consortium banks more accurately.

Francis Ghiles



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FINANCE HOUSES

Consumer business picks up slowly

NOW THAT the traumas which shook the secondary banking market in 1973-74 have faded, the finance houses are seeing just what can be done to prevent themselves being damaged again if burricane conditions ever hit the financial sector once more. Early on in the past crisis some perfectly sound finance houses were caught up in the general panic by investors who did not fully understand the way they operate. The finance houses were forced to watch impotently while all the sources of finance they had carefully developed over the years quickly dried up.

One way that such a crisis of confidence might be averted in the future would be for the "independent" finance houses—those which are not owned by one of the clearing banks—to have longer term borrowings in their portfolios.

This topic was touched upon by Sir Gordon Richardson, Governor of the Bank of England, earlier this year when he pointed out that the average length of the finance houses' assets was perhaps 18 months for consumer credit and considerably longer for industrial lending, whereas the average length of their deposits was probably less than six months.

There is nothing whatever wrong with financing of instalment credit in appropriate degree by the taking of three or six-month deposits. On the contrary, the steady reflux of repayments under instalment contracts makes it entirely reasonable to rely, in part, and with appropriate discretion, on such financing.

Nevertheless, if it were possible, consistent with maintaining profitable trading, to obtain somewhat longer term funds, you would be less exposed to sharp changes in financial conditions," he said when addressing the Finance Houses Association's annual dinner. This was just what the finance houses wanted to hear (and they had dropped a hint or two that they would like the Governor to bring up the subject in his speech). With the moral support of the Bank behind them—and, hopefully, some practical assistance at a later stage—the FHA has commissioned a leading firm of money brokers to investigate the possibility of introducing a variable-interest-rate, three-to-five year bond. The expectation is that the variable rate will attract cash from the pension funds and other institutions which are constantly looking out for new, but safe, sources to invest their income.

Involved

The finance houses themselves would not generate enough business to develop the market for such bonds but the hope is that the clearing banks would also get involved. Mr. Ronald Barnes, chairman of the FHA, says: "I hope we will have a realistic solution in sight by the time I leave office next April."

While pushing ahead with its attempts to establish a source of medium-term money, the FHA is also continuing its campaign to get changes in the terms controls on cars. It wants the permitted repayment period extended from 24 to 36 months. This would undeniably boost business for the finance houses.

To back its case, the FHA has produced statistics which show that in 1973 the average earner required 18.9 per cent of his disposable income to meet the repayments over three years on the average car in the L1,001-1,400 cc range. In 1975 he would have required 31.2 per cent to pay back over two years or 23.3 per cent for three years. This situation has been brought about by the rise in car prices exceeding the advance in earnings over the period, with the average cost in the L1,001-1,400 cc range rising by 80.1 per cent in the period from October 1973 to July 1976.

It is thought that the authorities are not entirely unsympathetic to the finance houses' request. But of overriding importance to them is the need to ensure that any relaxation of controls comes at a time when car manufacturers can meet any increased demand so

as to avoid a potential increase in imports. The FHA recognises the weight of this argument but feels that there may be dangers in using Control Orders as, in effect, a disguised form of import control.

It is estimated that in the last six years the finance houses share of the consumer credit market has slipped from about 30 to 20 per cent. Much of this has been due to the clearing banks becoming more aggressive in the field with their personal loan and credit card schemes. But the 24-month limit on car repayments, in force now for nearly four years, certainly played its part.

For finance house credit is dealer-orientated. The car salesman sells the credit facility along with the car. Bank credit is customer-orientated. When the customer looks for his own finance he tends to turn first in the direction of the clearers.

It is possible to borrow money over 36 months for purposes other than car purchases; for home improvements and so on. The banks carefully monitor the way the cash they lend is spent, but there is no doubt that some cash borrowed over 36 months is really used to finance car purchases instead of those things the customers tell their banks they are going to buy.

As the Crowther Committee said in its review of consumer credit terms, controls simply distort the market and merely transfer business from one lender to another.

The finance houses feel that if the U.K. car manufacturers were not still in some disarray, this autumn would be an appropriate moment for the controls to be changed. The move would give a lift to car sales in the "dead" winter months and present the Government with another chance to put over the message that the economy is on the mend. Last year the finance houses wrote £1.53bn. of new business compared with the previous peak of £1.45bn. reached in 1973.

The outlook this year seems brighter. Mr. Barnes says there has been a "significant increase" in volume in recent weeks—an increase which has still to show form orders and half a dozen more fields already declared commercial and moving towards production at various dates over the next two years. Non-oil industry is subject to the same restraints as the rest of the U.K. and, although a recent survey by the Glasgow Chamber of Commerce showed confidence again rising, it may be the "spring before" any real movement across the board is seen.

It is against this background that the growing competition in Scotland has to be viewed. Jokes fly thick and fast these days among Scottish bankers about the shortage of suitable banking halls and the occasional week that passes without a new foreign institution moving in.

But there is serious concern that the country may be becoming over-banked. The Finance directors of at least a few major Scottish companies have made themselves permanently unavailable to bankers who call "on spec" and for their part, some are bound to be left out.

Attention

The boom, hardly surprisingly attracted a lot of attention. In the last two years there has been an extraordinary growth in the number of banks represented in Scotland. The "big four" London clearers have either established branches in Scotland or are about to do so, many of the largest London merchant banks are represented and there are now six American banks and others from Canada, Europe and the Far East. Although it would be unduly pessimistic to say that the newcomers have come too late, it is likely that they will have to weather the doldrums before the economic climate picks up again.

The Scottish economy, while still promising in some industries, has come down from the high plateau it reached during 1974-75 when oil development was at its height. The unemployment rate relative to the U.K. as a whole, is increasing again after narrowing at the end of last year, and the growth in industrial production—which, incredibly, outstripped West Germany over the first half of the decade—is also slackening.

Domestic demand, mirrored in the figures for bank advances, has been depressed for some months and the relaxation of the "corset" restrictions on lending has merely served to highlight the problem. The net effect has been to bring the Scottish banks much more into line with London. Whereas both deposits and advances growth was substantially ahead of that in the south in 1974-75, the gap has been closing steadily ever since. The prospects are that the Scottish economy could again pick up fast enough to lead the U.K., but it may not be for some while. The oil industry is coming out of its two-year hiatus with new plat-

form orders and half a dozen more fields already declared commercial and moving towards production at various dates over the next two years. Non-oil industry is subject to the same restraints as the rest of the U.K. and, although a recent survey by the Glasgow Chamber of Commerce showed confidence again rising, it may be the "spring before" any real movement across the board is seen.

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# Hitting the headlines

It seems that Giro has rarely over the running of what to the headlines since the U.K. just 12 months ago. The system has managed to report an increase in profits from £1.8m (before tax and interest payable) to £3.8m—despite a rise of a quarter in its costs for the use of the postal services to £26.5m. This item is by far and away the Giro's biggest published operating expense.

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## Balance

Growth in business—average customer balances rose from around £140m. to over £180m. during the 12 months to last March—was accompanied by further improvements in operational efficiency in the face of continuing cost inflation, says the system's recently published annual accounts. "The result represents a return on public service reflected in the intro-

duction of a card guaranteeing Girocheques and an improvement in cheque cashing arrangements to go alongside the new limited overdraft facilities.

The continued growth in business in the corporate sector last year boosted deposits by a further 50 per cent. to an annual rate of nearly £5bn, by last March. In the past five years the Giro has thus increased this type of business roughly 12-fold. The introduction of limited overdraft facilities has enabled the system to provide a far more efficient funds management service.

Growth in the use of the National Giro for rent collection was less buoyant during the year with business in this particular field increasing by just 15 per cent. to over 30m. transactions by the end of the year. Something like 140 authorities are either using or planning to use this type of service. As for personal accounts, these increased by 42,000 during the year. The improved banking habit reflected the intro-

## SMALLER BANKS

# Heavy competition

HAS become a for funds they would naturally feel the pinch if deposits were being lost through uncompetitive rates.

But though rates outside the banking network are far more attractive, both banks are still maintaining a very high deposits-to-advances ratio. Naturally, the rates now being offered by the building societies and the national savings movement are having some effect, but the outcome here has mainly been a slowdown in the growth rate rather than any actual erosion of deposit levels.

In the year to December, 1976, deposits at the Yorkshire Bank rose from £302m. to £339m., while advances stood at £186m. against £149m. Demand for personal loans and overdrafts has been very high on the back of the fall in interest rates but a continued rise in deposits has enabled the Yorkshire Bank to maintain its very high deposits-to-advances ratio. So the bank looks poised for another successful year. Over the last five years the record has been impressive with profits before tax rising from £4.9m. to £11.75m.

Much the same sort of trend is being experienced at the Co-op. Last year deposits rose from £270m. to £307m., while advances stood at £122m. against £101m., and a similar ratio is still being maintained. The profits level is less impressive than that seen at the Yorkshire with profits in 1976 standing at £2.67m. compared with £2.16m. This fact no doubt reflects the Co-op's policy of maintaining a free banking service together with the costs of its expansion programme.

The Co-op bank joined the London Bankers Clearing house in October 1975, the first bank to do so for nearly 40 years. At the time as the Co-op applied for membership the same opportunities were offered to the Yorkshire Bank along with the Scottish banks. But the Yorkshire felt there would not be any real benefits if membership was sought since they already had a very satisfactory arrangement with Williams and Glyn.

To maintain this sort of track record in a very competitive climate clearly suggests a very special service. The Yorkshire has built up customer loyalty over a number of years. It prides itself on its friendliness—the bank's slogan is "Friendliness, we built a bank on it"—and a speed and quality of services that the major clearers, with their wider geographical coverage, would find hard to match. Most of the Yorkshire's charges are in line with major competitors. While in all the branches other than the London branch there is late night opening once a week, the Yorkshire also offers a wider range of interest-bearing accounts than can be obtained elsewhere.

The Co-op tends to undercut the other banks offering personal loans at 8 per cent. against 8½ to 9 per cent. for the others while there is a free banking service if the current account is kept in credit. This coupled with the strong coverage of cheque cashing facilities in the retail outlets is an obvious lure for the smaller customer.

David Wright

Jeffrey Brown

## FACTORING

# Big four dominate

It is a criticism of factors that they err too far on the side of prudence and by not offering cover on certain transactions slow down the potential for growth of their clients.

Finally factors can improve the cash flow by passing on to clients up to 80 per cent. of the value of a debt as soon as they have sent off the invoice to the client's customer. The rest of the debt is passed on when the factor has received it. This service is particularly valuable when money is tight and companies can use the quick inflow of cash to get dis-accounts or to fund expansion.

Flush

All these services tend to be charged for separately and they wax and wane in popularity according to the state of the economy. These days when banks are flush with money and interest rates are low, the financial service of the factors is less popular. On the other hand with the current uncertainties in business the credit insurance facility looks very attractive.

Companies pay their factor for the services they use, and the charges are geared to the amount of work and the extent of the risk that the factor undertakes. In general the costs range from between 0.75 and

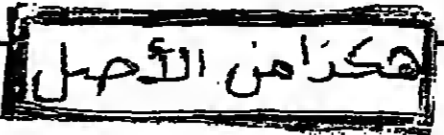
2 per cent. of the clients turnover. If it also requires the early cash facility it pays between 2 to 4 per cent. above base rate for the money.

Factors find their customers among expanding companies, usually with a turnover of around £1m. a year, although often quite large organisations use a factor to help out on sales overseas, or with particular divisions.

This has been a prosperous year for factoring, and now that the industry has settled down after a spate of takeovers, and the tendency towards over-expansion has been curbed, an even better future can be predicted. In good times factoring can be very profitable, which is another reason why the banks have regarded it as a worthwhile addition to their financial services.

There is still criticism of factoring—about its cost; about the way that a factor can seem to interfere in a client's business by deciding, indirectly, who it trades with; about the dangers in involving another enterprise in an independent operation. But the involvement of the clearing banks has raised the overall reputation of factoring, and for small and ambitious companies it is a service which is well worth investigating.

Antony Thorncroft



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MERCHANT BANKS

U.K. BANKING

The guessing goes on

ANY DISCUSSION of developments in the merchant banking sector at the present time inevitably homes in rapidly on the recent resignation of Mr. Charles Ball as chairman of Barclays Merchant Bank...

vested in separate companies within Barclays. So Mr. Ball was clearly faced with a narrowing field of activity embracing medium-term lending, sterling money market business, acceptance credits and corporate finance...

parrot (about 80 to 90 per cent of its business is directed from Natwest). hut maintaining strongly that it operates completely autonomously and does not have to pick up Natwest's suggestions. BMB's business was largely self-generated.

The point about the clearers merchant banks being different animals applies equally—or perhaps even more so—to the independent merchant banks.

year, deposits totalled nearly £3.8bn., or almost 11.5 per cent of clearers' deposits.

Not only is the specialisation of the independents important, but so also are the specialists within them. For merchant banking is a very personal type of business, with relationships between merchant banker and a company often extending over many years.

banks now is probably quite bright. Although the rate of inflation now looks to be easing, its effect on many companies has probably still to work through and this may mean quite a lot more capital reorganisation, including rights issues.

Strength

The growing strength of sterling presents possibilities in the sterling capital markets, and many companies may begin actively to seek more trade internationally and to establish themselves abroad.

As things turned out activity among merchant banks was showing a marked upswing, particularly in the corporate finance field.

Ponder

Whatever does happen, however, it seems likely to set BMB back in its development. A question to ponder is whether it will affect the other two merchant banking subsidiaries—Samuel Montagu (Midland's subsidiary) and County Bank (National Westminster).

What happens now is anybody's guess—and there is certainly a lot of guessing going on. It is difficult to assess whether any fundamental change of attitude has taken place within Barclays Bank over merchant banking, and the bank itself has given no indication of its intentions.

This specialisation is probably the key reason behind the fact that the independent merchant banks have maintained their position.

Another feature of merchant banking, argued strongly by the independents and most particularly those which are members of the Acceptance Houses Committee, is that a true merchant bank must be innovative, as instanced most recently, perhaps, by Morgan Grenfell with such devices as floating rate loans for local authorities, designed to meet their particular requirements in the changed economic situation.

But all was not going well. As Mr. Ball has since explained, disagreement with the parent bank arose over whether term lending generated via the branches should be handled by the main bank or the merchant bank. Mr. Ball thought that, with the larger loans, it should be his responsibility since the necessary expertise was a feature of merchant banking.

By this argument, County Bank, for example, has been accused of not meeting the innovative requirement. This, in part, it accepts, but suggests that with the deal it put together for Ferranti and by forming a consortium loan of £100m. for British Nuclear Fuels last year it is beginning to show its paces after deliberately taking a steady course to establish its own expertise and reputation.

Looking further ahead to the medium term, one merchant banker puts forward the suggestion that there is going to be a very great deal of capital reorganisation to be done as debentures taken out many years ago come up for repayment, and that, given the very low premiums at which they were taken out, coupled with the fact that assets which they financed will be up for renewal, a considerable amount of innovation is going to be necessary.

Nicholas Leslie

LEASING New rules spur record growth

THERE IS now no doubt that 1977 will prove yet another record year for the leasing industry in Britain. The cost of new assets purchased will amount to an absolute minimum of £500m. this year, and is more likely to be closer to £800m.

is on its way to common acceptance. For instance, Morgan Grenfell, through a partnership with the Moscow Narodny Bank, called East-West Leasing, obtained ECGD guarantees for the export of several heavy-lift mobile cranes to Interco-operation of Hungary.

The growth of the industry has been such that a large number of small brokers firms have sprung up to service demand. This has particularly been the case in the past two years, and the initial reception by the major lessors was cool.

The leasing industry, in short, is the fastest growing sector of industrial finance to-day. The commercial banks and finance houses, as well as a variety of other institutions, find leasing an attractive method of obtaining first year depreciation allowances on taxable profits, and a useful way of converting short-term money into medium-term financing, which is what leasing really is.

Accepted A canvass of several leading members of the ELA, however, reveals that the existence of brokers is now accepted as a fact of life after initial scepticism, and puts the leasing industry on a par with the insurance and ship financing industries, for example.

Recent months have seen two notable events. The largest lease ever signed in the U.K. for a single industrial asset was announced at the turn of the year: this was for the £70m. catalytic cracking unit for the addition to the Lindsey Oil Refinery on Humberston (Total and Petrofina). It underlined the fact that the average value of lease contracts in the U.K. was growing, and it proved that massive consortium leases could be arranged.

The other notable event concerned the relaxation of the Control of Hiring Order, which controlled the leasing of motor cars. The relaxation did away both with the onerous 10-month advance rental requirements and the doubts surrounding the legality of letting lessees have rental rebates reflecting the sale price of vehicles.

The current ELA Stuart Errington, we say in a recent survey, lessors wanted "not only equality, and Alan MP, Secretary of State, industry was able to an am sure we will of can to accommodate Robert I Editor, Leas

BY NOVEMBER, 1980 the Trustee Savings Banks intend to have completed the first phase of their transition from quasi-State institutions with their roots in 19th century co-operative effort, into an independent third force in 20th century banking.

introduced in 1965, a fastest growth area services, though cheq holders still only around 1.5m. of the depositors. Recent of the charges mad money transmission (direct debits and orders) provided to numerous Savings (pass book) holders clearly enough the which the TSBs see vices developing; an wants to use the; ing Savings Account thing other than sav to be discouraged.

obscure, permitted the TSBs to introduce their new lending service with effect from the beginning of August. In consequence any customer of a year's standing may apply to borrow up to £1,500 from his local branch. Though the sums involved are hardly dramatic—Government monetary policy has limited the amount the TSBs have available to lend, and they are in any case somewhat chary of running before they have learned to walk—the concept is, in the TSB context, quite revolutionary. Hitherto—with the exception of some money market lending to discount houses and listed banks, and "mutual assistance" loans to one another—all the lending done by the TSBs has been within the public sector. While liabilities consisted almost entirely of large numbers of small deposits from personal customers, assets were made up of deposits with the National Debt Commissioners, holdings with local authorities and public corporations, and gilt-edged stock. It is this neat pattern of action, the Central TSB also provides clearing and wholesale facilities for the regional banks in England, Wales and the Channel Islands, and acts as London agent for the Northern Ireland Bank.

When the links National Debt Office broken (probably the attractions of su will decline, for the tion now granted interest on Savings (up to the first £70 p will disappear as w exemption is, however relevance only to 1 taxpayers (at the mo there is no doubt i Savings Account we out there would be bers of small savers. home for their—n where—in the Nation Bank and the buildi In any case the which the TSBs are ing in their new gui directed to such i cated savers. The de into personal lending, trusts, into insurance travellers' cheques a that the market the going for now is that the commercial clea already: the aim no simply to compleme compete.

Such structural changes do not, however, make much difference at the high street level, where the personal customer who is to remain the backbone of the TSB's clientele will only just have become aware of the changes within the movement. That awareness stems from the TSB's introduction of personal lending, the second of the great changes planned for 1976, but postponed because Government wages policy prevented the TSBs from providing their staff with additional payments for taking on this new responsibility. A compromise solution, whose details remain somewhat

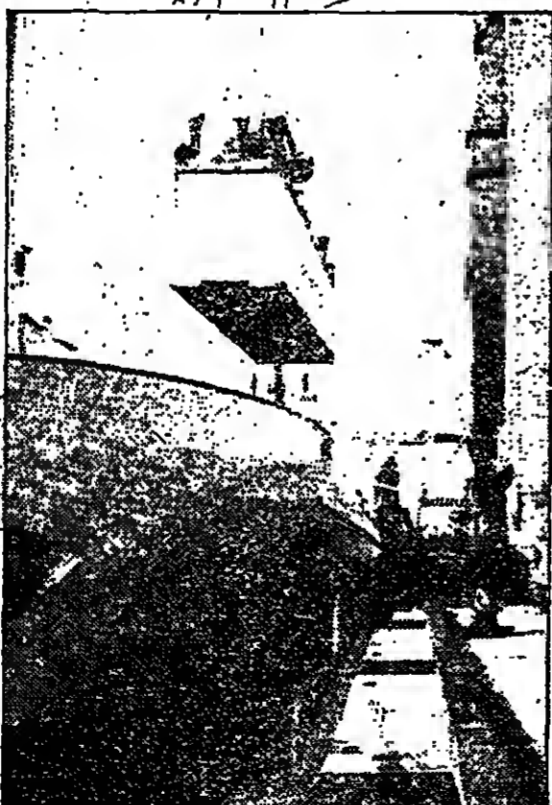
Backbone In other respects the TSBs are well on the way to providing a service comparable to that of the commercial clearing banks. Cheque accounts, first

What does Grindlays bank on?

The Grindlays Bank Group has come a long way from its beginnings in the 19th Century. In 1977 we are a major international bank - a world leader in certain areas - but we work hard to preserve the traditions that put us where we are today. Although the Group is now represented and active all around the world, we have not forgotten that it is people who make our business: our own specialists and managers in head office and branches working alongside other people - our customers. The success of this team effort can be seen in these examples of the Group's activities - as they happen. They are the result of people's efforts. That is what Grindlays banks on.



THE GROUP PROVIDES BANKING FACILITIES FOR 71 OF THE U.K. TOP 100 INDUSTRIAL COMPANIES SOMEWHERE IN THE WORLD. Two of our corporate banking team in London discuss the financing of a project in the Middle East with the Finance Director of a leading British contracting company.



THE GROUP ACTIVELY PROMOTES BRITISH EXPORTS THROUGH ECGD DOLLAR BUYER CREDITS. We have arranged ECGD export finance facilities for British equipment to customers in over 55 countries.



THE GROUP'S TREASURY DIVISION COVERS ALL FOREIGN EXCHANGE AND MONEY MARKET ACTIVITIES. Our foreign exchange dealing room is one of London's most active in the major currencies and also provides quotations in up to 40 other currencies. The Treasury is also active in the eurocurrency and sterling inter-bank markets and in particular offers a service in a wide range of money market instruments.



23 Fenchurch Street, London EC3P 3ED.

TRUSTEE SAVINGS BANKS A broader range of services

BY NOVEMBER, 1980 the Trustee Savings Banks intend to have completed the first phase of their transition from quasi-State institutions with their roots in 19th century co-operative effort, into an independent third force in 20th century banking. The origins of the change lie in the findings of the Page Committee on National Savings, which reported in June 1973, and the instrument through which it is to be implemented is the TSB Act 1976. In fact the TSBs had started to move towards the sort of structure envisaged in the Page Report before that legislation reached the statute book. The 72 regional savings banks had, by a process of amalgamation, become a mere 19 during 1975, thereby paving the way for the introduction of the new co-ordinating body for the movement, the Central Board, in 1976. Unlike the Trustee Savings Banks Association, which replaced the Central Board, it has powers, not merely to recommend, but upon occasion to direct its members in a course of action. The Central TSB also provides clearing and wholesale facilities for the regional banks in England, Wales and the Channel Islands, and acts as London agent for the Northern Ireland Bank. So where before 1978 the movement was using the commercial banks to provide a clearing service to customers' revenues, the Central TSB now handles some 4m. items a month—and places average daily balances of some £500m. in the London money markets on the regional banks' behalf. The introduction of personal loans is not, however, likely to be the sum of the TSB's adventurous new lending policy. Plans for the introduction of secured loans and bridging finance are already in the pipeline: plans for making loans to commercial customers are under consideration; and over the longer term the TSBs have a mind to move into credit cards and the provision of mortgages as well. All this, however, lies in the somewhat indefinite future. For the moment caution in lending remains the order of the day. The TSBs are still fighting shy, for example, of going so far as to formalise their overdraft arrangements—though they say that they will not bounce a cheque drawn by a customer providing that he does not make a habit of becoming overdrawn. In other respects the TSBs are well on the way to providing a service comparable to that of the commercial clearing banks. Cheque accounts, first

Adrienne C

prop

Impr...

A SP... Manage

July 1977







Dividends payable in 'friendly'... Wilmot B... in 'friendly'...

Table of dividend announcements with columns for Date, Amount, and Company Name.

LOCAL AUTHORITY... ic Works Loan Board rates

Table showing loan board rates for various categories like Rate, Term, and Interest.

RECENT ISSUES... EQUITIES

Table listing recent equity issues with columns for Issue, Price, and Volume.

FIXED INTEREST STOCKS

Table listing fixed interest stocks with columns for Stock Name, Price, and Yield.

"RIGHTS" OFFERS

Table listing rights offers with columns for Company, Price, and Volume.

BASE LENDING RATES

Table showing base lending rates for various banks and financial institutions.

INTERNATIONAL COMPANY NEWS

Sharp rise at Sun Hung Kai

SUN HUNG KAI Properties re-developed into an industrial estate with 4.5m. square feet of floor space.

Matsushita Elec. Indus. raising capital

MATSUSHITA ELECTRIC Industrial Company is to issue 50m. shares of new common stock for public sale.

Money and Exchanges

Bank of England Minimum Lending Rate 6 per cent. (since September 16, 1977).

Table of foreign exchange rates for various currencies.

Table of gold market prices for various gold bullion.

Table of exchange cross-rates for various international locations.

Table of Euro-currency interest rates for various banks.

Table of currency rates for various international currencies.

MINING NOTEBOOK

The Dillingham affair becomes a test case

ONE MAJOR theme at last week's American Mining Congress in San Francisco was a call to lessen the restrictive and cost-inflating controls clamped by government on the mining industry.

Copper hope

Finally, there comes a glimpse of long-term sunshine for the copper market.

Golden glow

The gold pit still bubbles merrily. Friday night's New York price was \$149.50.

Compensation

The companies naturally considered that they should be compensated for their political turn-around.

INSURANCE

Motor claims on the increase

MOST insurance companies gave by the Department of Trade. A conservative figure one would think, as Lloyd's only increase their rates once a year.

LEUMI INTERNATIONAL INVESTMENTS N.V. U.S. \$10,000,000 7% GUARANTEED CONVERTIBLE BONDS 1984

EURO-CURRENCY INTEREST RATES

Table showing Euro-currency interest rates for various banks and currencies.



Triages  
ion

مكازم الأصيل

HOME NEWS

Commercial Credit to see  
Bank over £3m. claim

OF the U.S.-owned Commercial Credit Services... The talks with the Bank were foreshadowed when Commercial Credit announced that Mr. Ron Harrison had been appointed its chairman and managing director...

Temporary reprieve  
for timber mill

PRODUCTION WILL resume today at the Stirlingshire plant of Scottish Timber Products... Workers at the mill in Cowie, near Stirling, agreed at a weekend mass meeting to a proposal by the Receiver which will save 195 of the 370 jobs at the plant for at least six weeks...

Wheelock Marden  
and Company Limited

\*Recurring Profits Increase 34%  
\*Total Distributions per Share Increase 50%  
Highlights from the accounts for the year ended March 31, 1977.

Table with 2 columns: 1977 and 1976. Rows include: Net Profit, After Tax, Minority Items, Dividends Paid, Capital Bonus, and Net Assets.

Annual General Meeting will be held at the Mandarin Hotel, London on 3rd October, 1977. Copies of the Annual Report for the year ended 31st March, 1977 can be obtained from...

NEW MARK  
Limited

men, Mr. Geoffrey Newmark, reports many and varied problems surmounted during the year... The Board took the decision to treat the location onto the market of the solid state switch with caution...

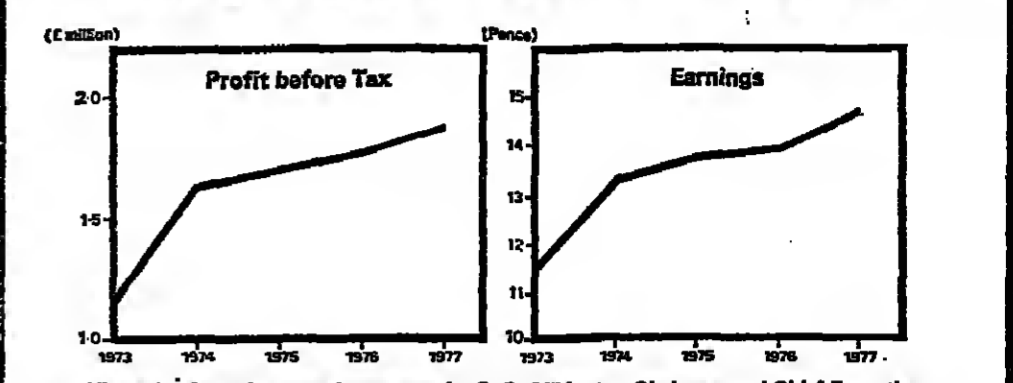
Figures: 1977 (£000's) and 1976 (£000's). Rows include: Profit, Turnover, Net Profit, and Dividend per share.

If the full report can be obtained from the Secretary, 80, Gloucester Road, Craydon CR9 2LD

Marine insurers meet  
to discuss recession

THE WORLD of the marine insurer is not a happy one, and the cause of the trouble is the severe shipping slump... Mr. A. E. Mann, chairman of the Institute of London Underwriters, will lead the 66 London underwriters...

VIBROPLANT  
HOLDINGS LIMITED  
FIVE YEARS OF GROWTH



Highlights from the annual statement by G. B. Pilkington Chairman and Chief Executive. Airpac Rentals has continued to expand and we now operate the biggest fleet of specialised compressors and ancillary equipment in Europe...

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange.

Paterson, Zochonis & Company Limited

Capitalisation Issue of 2,372,229 10 per cent Cumulative Preference Shares of £1 each. The Council of The Stock Exchange has admitted the above Preference Shares to the Official List. Dividends will be payable in equal half-yearly instalments on 30th November and 31st May each year...

AVANA GROUP  
LIMITED

The Annual General Meeting was held on 18th September, 1977 and accounts for the 53 weeks ended 2nd April, 1977, were adopted.

Table with 2 columns: 1976/77 and 1975/76. Rows include: Turnover, Group Trading Profit, Group Net Profit before Tax, Group Net Profit after Tax, Capital Employed, and Group Fixed Assets.

In his Statement the Chairman said: "Sales increased 30% over the previous year and the results for the year are indeed gratifying. Our business now has a greater strength than at any time in the past as we have a wider spread of product interests."

Transport cafe  
toilets slated

MOST OF Britain's transport cafe lavatories are "unfit for animals," says the latest Egon Ronsky guide to transport cafes... Mr. Mann said yesterday that the London market's problem was in trying to maintain its share of business.

TOKAI BANK  
FINANCIAL STATEMENT

(Yen in Millions)

CONDENSED BALANCE SHEET. Table with 2 columns: MARCH 31, 1977 and MARCH 31, 1976. Rows include: Assets (Cash, Loans, Securities, etc.), Liabilities (Deposits, Borrowed Money, etc.), and Capital Accounts.

PROFIT AND LOSS (For the years ending March 31, 1977 and March 31, 1976). Rows include: Gross Income, Gross Expenses, Profit before Tax, Provision for Taxes, and Profit after Tax.

Note: Assets and Deposits as of March 31, 1977, translated into US dollars, are \$38,825 million and \$19,375 million, respectively (US\$1 = ¥277.30)

TOKAI BANK

Head Office: Nagoya, Japan. Over 100 branches in Tokyo, Osaka and other major cities in Japan. London Branch: P. O. Building, Leadenhall Street, London EC3.

NEW ISSUE. This announcement appears as a matter of record only. September 19th, 1977

BARCLAYS  
International

U.S. \$100,000,000  
Barclays Overseas Investment Company B.V.

8 1/2 per cent. Guaranteed Bonds 1992. Unconditionally and irrevocably guaranteed on a subordinated basis by Barclays Bank International Limited

Table listing various international banks and financial institutions, including: Algemeene Bank Nederland N.V., Banca Nazionale del Lavoro, Bank of America International, etc.

COMPANY NOTICES

GM BEARER DEPOSITARY RECEIPTS GENERAL MOTORS CORPORATION Further to the DIVIDEND DECLARATION of 31st August, 1977, NOTICE is now given that the following distribution will become payable to AUTHORIZED DEPOSITARIES on and after the 15th September, 1977, against presentation to the Depository (as below) of Claim Forms listing Bearer Depository Receipts.

CREDIT INDUSTRIEL ET COMMERCIAL Société anonyme au capital de F 236 383 350 Siège social: 66, rue de la Victoire, 75009 Paris R.C. Paris B 542 016 381 NOTICE TO HOLDERS OF FLOATING RATE NOTES DUE 1981

W. F. JOHNSTONE & COMPANY LIMITED (Incorporated in the Republic of South Africa) APPOINTMENTS THE CITY UNIVERSITY BUSINESS SCHOOL LLOYDS RESEARCH FELLOW

EDWARDS HESSLI LIMITED (Incorporated in the Republic of South Africa) NOTICE TO SHAREHOLDERS DECLARATION OF DIVIDENDS DIVIDEND No. 61

LEGAL NOTICES THE COMPANIES ACT 1948 VAUGHAN PLAYING FIELD LIMITED NOTICE IS HEREBY GIVEN, pursuant to section 295 of the Companies Act 1948, that a meeting of the creditors of the above-named Company will be held at the London Hotel, 186, Regent Road, London, W.1, on Friday, 23rd day of September, 1977, at 10 o'clock in the afternoon, for the purpose mentioned in sections 294 and 295 of the said Act.

Businessman's Diary

U.K. TRADE FAIRS AND EXHIBITIONS Table with columns: Date, Title, Venue. Includes British Genius Exhibition (Oct. 30), Chelsea Antiques Fair (Sept. 24), Int. Hardware Trades Fair (Sept. 18), etc.

OVERSEAS TRADE FAIRS AND EXHIBITIONS Table with columns: Date, Title, Venue. Includes Int. Office Equipment Exhibition (Sept. 22-30), Int. Footwear Trade Fair (Sept. 24-30), Italian Furniture Fair (Sept. 24-29), etc.

BUSINESS AND MANAGEMENT CONFERENCES Table with columns: Date, Title, Venue. Includes Building Advisory Service: Safe Working with Asbestos (Sept. 20), Marchmont: Personal Tax Saving for Directors (Sept. 20-30), etc.

Chairman's Statement Hartebeestfontein Gold Mining Company Limited (Incorporated in the Republic of South Africa) Higher costs and lower gold affect profits: uranium earnings improve Mr Basil E. Herscov

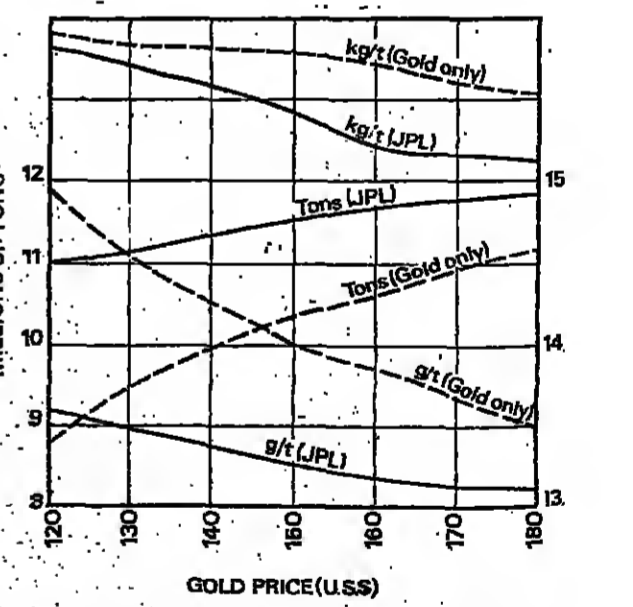
Both tonnage milled and gold grade declined marginally in financial year and with a lower average gold price of 113.3 per kilogram (1976 - R3 573 per kilogram) a drop in revenue resulted. Costs continued to increase, although at a lower rate and State's share of profit was also lower but despite this at R15 511 000 were some R5 million less than in 1976 as payments were reduced from 190 cents to 135 cents per tonne...

Financial handiwork Sumitomo Bank. Where up-to-the-minute computerization helps make business easier and more efficient. But helpful hands will always play a prime part in getting a project done. The Sumitomo Bank, Limited Osaka, Tokyo, Kyoto, Kobe, Nagoya and other major cities in Japan

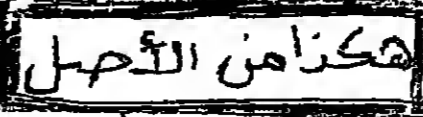
Entertainment Guide

CC-These theatres accept certain credit cards by telephone or at the box office. OPERA & BALLET ENGLISH NATIONAL OPERA THEATRES THEATRES THEATRES THEATRES THEATRES

Details of the ore reserve are given in the technical advt and it will be noted that the tonnage is marginally higher at the end of last year. The average stopping width is virtually 113 cm, the gold value has decreased slightly to 13.3 gmt and the uranium grade remains unchanged at 0.23 kilogram per tonne...



The sinking end lining of No. 8 shaft was completed during the year and is expected to be fully commissioned by 1978. While it is anticipated that no further surface shafts will be required, the incidence and magnitude of faulting in the No. 6 and 7 shafts may make it necessary to provide small sub-vertical shafts to ensure efficient mining of the shaft mentioned last year, with the gradual exhaustion of ore in part of the mine, the centre of operations is moving accordingly it is planned to increase the milling capacity of situated as No. 7 shaft from its present monthly maximum tons to about 120 000 tons by the installation of a new tub ancillary equipment. At the same time the capacity of transfer pipeline to the No. 2 shaft plant will be increased in mill tonnage at No. 7 shaft will be balanced by a underground tramming costs as progressively larger tonnage in the western section. Although the ore in this area is of a lower average grade than that in the eastern section, a slight drop in gold prices should be offset to some extent by the higher uranium grade.



ENTERTAINMENTS GUIDE (Cont.)

ENTERTAINMENTS GUIDE (Cont.) listing theatres, cinemas, and clubs with showtimes and titles.

APPOINTMENTS

De La Rue job for D. A. Moore

Mr. D. A. Moore has been appointed deputy chief executive of the DE LA RUE COMPANY...

BRITISH AEROSPACE has elected president of ALCAN

Mr. D. M. Culver has been elected president of ALCAN ALUMINIUM of Montreal...

The Caledonian Trust Company Limited

Table with financial data for The Caledonian Trust Company Limited, including equity shareholders' interest, asset value per share, and earnings per share for 1977 and 1976.

In his Chairman's Statement dated 24 August 1977, Mr J.A. Lumsden comments as follows: FUTURE OUTLOOK...

MANAGED BY MURRAY JOHNSTONE LIMITED.

PUBLISH YOUR BOOK IN 90 DAYS

Wanted: book manuscripts on all subjects. Expert editing, design, marketing and distribution - all under one roof...

The British Electric Traction Company, Limited



Sir John Spencer Wills forecasts another record year

Table showing financial figures for the year to 31st March 1977 and 1976, including profit before and after taxation, and dividends.

Wills extracts from the Review of the Chairman, Sir John Spencer Wills, which has been circulated with the Report and Accounts for the year ended 31st March 1977.

Wills' tax profit for the year to 31st March 1977 of £55.3 million was a record and compares with £42.1 million for the year ended 31st March 1976.

Advantage Laundries

The gratifying improvement in Advantage Laundries' results continued during 1976, when a pre-tax profit of £3.45 million was achieved.

Humphries Holdings

There was a marked improvement in the results for the year to 31st March 1977. The group loss, before taxation and extraordinary items, was reduced to £35,000 compared with £32,000 for the previous year.

Canadian Motorways

Canadian Motorways' results for 1976 were marginally down on the record results of the previous year although, due to the depreciation of the pound in relation to the Canadian dollar, profits expressed in sterling showed an increase from the 1975 figure of £1.24 million to £1.48 million in 1976.

United Transport

Growth, both in the United Kingdom and overseas, has resulted in a substantial advance in United Transport's profits. Excluding a currency profit of £2.29 million, compared with a loss of that amount of £1.15 million in 1975, the pre-tax profit for 1976 was £13.24 million, against £12.24 million in 1975.

Murphy Bros.

During the year ended 31st December 1976, Murphy Bros. incurred a pre-tax loss of £222,000 compared with the previous year's loss of £3.26 million. There was a return to profitability in the United Kingdom operations, but trading in Germany continued to be unprofitable.

Rediffusion Television

The pre-tax profit of Rediffusion Television for the year ended 29th July 1976, including the whole of the profit of Thames Television for its year to 30th June 1976, was £8.95 million compared with £6.5 million for the previous twelve months.

Rediffusion Holdings

Compared with the pre-tax loss of £231,000 in 1975/76, Rediffusion Holdings incurred a loss of £2.24 million, before taxation, in the year to 31st March 1977, due largely to the substantial increase in the amount of interest incurred by one of its subsidiaries, Wembley Stadium Limited, in connection with the financing of its major building development programme.

Boulton & Paul

In the year to 31st March 1977, Boulton & Paul achieved a record profit of £6.78 million, before tax, exceeding the company's previous best performance of £5.1 million in 1973/74.

Plant Hire

All sectors of the Group's plant hire business experienced difficult trading conditions throughout the year but, nevertheless, the total pre-tax profit amounted to £4.13 million against £4.10 million for the previous year.

Reclamation and Disposal

Reclamation and Disposal reduced its pre-tax loss from a figure of £213,000 to £131,000. In 1976, the year under review, the loss was further reduced to £79,000.

Advance Laundries

The gratifying improvement in Advance Laundries' results continued during 1976, when a pre-tax profit of £3.45 million was achieved. This compares with a profit of £2.55 million in 1975 and is more than double the £1.66 million recorded in 1974.

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MARKETS OVERSEAS MARKETS + CLOSING PRICES

EUROBONDS

The EUROBOND market heaved a sigh of relief on Friday after a sign of relief on Friday after the announcement that the U.S. money supply had not risen in the latest reporting week. Prices were marked up an eighth, where changed, to recoup some of the ground lost earlier in the week. The fact that a number of U.S. banks pushed up their prime rates to follow Chase Manhattan's earlier move to from 7 to 7 1/2 per cent. passed without effect. The basic story last week in the dollar sector was heavy trading activity at the beginning of the week one way—selling. The market had reacted surprisingly calmly the previous Friday to the previous week's news of sharp rise in the U.S. money supply but seemed to move all the faster to compensate on Monday and Tuesday. On Wednesday stabilisation started and by Friday, after the encouraging money supply figures, the price levels appeared to be firmly consolidated. The net result of these developments was that Eurobond yields are about ten basis points higher than on Thursday September 8, the day before the price in prices began, almost regardless of maturity. Over the same period, the seven-day Eurodollar inter-bank rate has moved up 25

Consolidation at lower levels

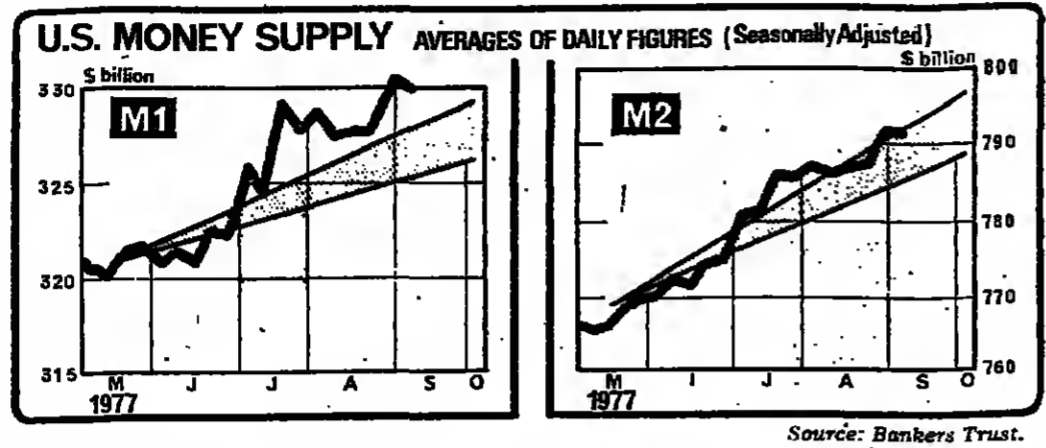
basis points, the six month rate by 37 basis points, and the one year rate by 12 basis points. Unless short term inter-bank rates fall back again, it looks as though the yield gap has been further eroded. In previous similar situations they have fallen back again, but not by enough to recreate a yield gap of the same dimensions as before the rise took place. The yield structure for prime borrowers now looks something as follows (taking the Financial Times London inter-bank rate of 7 1/2 per cent. as a basis): Six months 6.87 Three months 6.52 Six months 7.00 One year 7.00 Five years 7.00-7.05 Seven years 7.00-7.05 Ten years 8.25-8.35 Fifteen years 8.25-8.35 Twenty years 8.75 These figures are of course only approximations—in the case of the three-year figure and the 20-year figure there is only one issue in each case (Oesterreichische Kontrollbank and the European Coal and Steel Community respectively). A particular feature of last week's developments was the high-level of turnover in the dollar sector. Euroclear reported turnover in U.S. dollar bonds of \$2,287.8m. last week compared with \$378.2m. the previous week (and a weekly average of \$11m. this year). The increase in the Cedel figures was even more remarkable—it reported \$1,824.2m.

BY MARY CAMPBELL

The sharper rise in the Cedel figure would seem to give some credence to the argument that last week saw more client selling than in some previous bouts of falling prices this year. Cedel clears a considerably smaller proportion of the traders' transactions than Euroclear. On the other hand all traders were agreed that professionals' lightening their hooks was the main factor behind the price falls early in the week (and professional short-covering for the rises on Friday).

The Boodtz Index for medium-term issues fell from 102.81 to 102.64, and the index for long-term issues from 96.25 to 96.07 between September 9 and 16. A major subject for discussion among dealers last week was the invitation from Eurex, the computerised trading system for Eurobonds which is to be incorporated in Luxembourg this week, to subscribe to shares in the system. The cost of the subscription is reportedly about \$8,000 and each transaction would cost about \$6.50, neither of which figures are regarded

Table of CURRENT EUROBOND ISSUES with columns for Borrowers, Amount, Maturity, Av. life, Coupon, Price, Lead manager.



Indices

Table of NEW YORK - DOW JONES and STANDARD AND POORS indices with columns for Sept. 16, Sept. 15, Sept. 14, Sept. 13, Sept. 12, Sept. 9, High, Low, High, Low.

Table of Y. S. E. ALL COMMON, MONTREAL, TORONTO, JOHANNESBURG, and other regional indices.

GERMANY

Table of GERMAN stock market indices including DAX, MIBEX, and various sector indices.

JOHANNESBURG

Table of JOHANNESBURG stock market indices including All Share, MIBEX, and various sector indices.

AMSTERDAM

Table of AMSTERDAM stock market indices including All Share, MIBEX, and various sector indices.

PARIS

Table of PARIS stock market indices including All Share, MIBEX, and various sector indices.

OVERSEAS SHARE INFORMATION

NEW YORK

Table of NEW YORK share prices for various companies including Alcoa, Amstar, and others.

AMSTERDAM

Table of AMSTERDAM share prices for various companies including Alcoa, Amstar, and others.

CANADA

Table of CANADA share prices for various companies including Alcoa, Amstar, and others.

EUROBONDS

Table of EUROBOND prices for various maturities and issuers.

TOKYO

Table of TOKYO share prices for various companies including Alcoa, Amstar, and others.

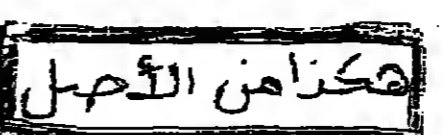
COPENHAGEN

Table of COPENHAGEN share prices for various companies including Alcoa, Amstar, and others.

BRASIL

Table of BRASIL share prices for various companies including Alcoa, Amstar, and others.





AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

Main table listing various unit trusts and offshore funds with columns for fund names, managers, and performance metrics.

INSURANCE, PROPERTY, BONDS

Table listing insurance, property, and bond products from various providers, including company names and policy details.

Section titled 'KONG SINGAPORE' listing market data for the region, including stock indices and commodity prices.

Section titled 'ACTUARIES INDICES' listing various actuarial indices and their values.

Section titled 'HIGHS AND LOWS' listing high and low values for various market indicators.

Section titled 'CLIVE INVESTMENTS LIMITED' listing investment services and contact information.

Section titled 'INSURANCE BASE RATES' listing insurance base rates for different policies.

Table of hotel shares including columns for Dividend, Stock, Price, and various financial metrics.

INDUSTRIALS (Miscel.)

Large table of industrial shares with columns for Dividend, Stock, Price, and other financial data.

FT SHARE INFORMATION SERVICE

AMERICANS—Continued

Table of American stocks including columns for Dividend, Stock, Price, and other financial data.

CANADIANS

Table of Canadian stocks including columns for Dividend, Stock, Price, and other financial data.

BANKS AND HIRE PURCHASE

Table of bank and hire purchase shares including columns for Dividend, Stock, Price, and other financial data.

INTERNATIONAL BANK

Table of international bank shares including columns for Dividend, Stock, Price, and other financial data.

CORPORATION LOANS

Table of corporation loans including columns for Dividend, Stock, Price, and other financial data.

COMMONWEALTH & AFRICAN LOANS

Table of commonwealth and African loans including columns for Dividend, Stock, Price, and other financial data.

BEERS, WINES AND SPIRITS

Table of beer, wine, and spirit shares including columns for Dividend, Stock, Price, and other financial data.

FOREIGN BONDS & RAILS

Table of foreign bonds and rails including columns for Dividend, Stock, Price, and other financial data.

AMERICANS

Table of American stocks (repeated) including columns for Dividend, Stock, Price, and other financial data.

BUILDING INDUSTRY—Cont.

Table of building industry shares including columns for Dividend, Stock, Price, and other financial data.

DRAPERY AND STORES—Cont.

Table of drapery and stores shares including columns for Dividend, Stock, Price, and other financial data.

ELECTRICAL AND RADIO

Table of electrical and radio shares including columns for Dividend, Stock, Price, and other financial data.

CHEMICALS, PLASTICS

Table of chemical and plastic shares including columns for Dividend, Stock, Price, and other financial data.

CINEMAS, THEATRES AND TV

Table of cinema, theatre, and TV shares including columns for Dividend, Stock, Price, and other financial data.

DRAPERY AND STORES

Table of drapery and stores shares (repeated) including columns for Dividend, Stock, Price, and other financial data.

BUILDING INDUSTRY, TIMBER AND ROADS

Table of building industry, timber, and road shares including columns for Dividend, Stock, Price, and other financial data.

DRAPERY AND STORES—Cont.

Table of drapery and stores shares (repeated) including columns for Dividend, Stock, Price, and other financial data.

ENGINEERING—Continued

Table of engineering shares including columns for Dividend, Stock, Price, and other financial data.

ENGINEERING, MACHINE TOOLS

Table of engineering and machine tools shares including columns for Dividend, Stock, Price, and other financial data.

FOOD, GROCERIES, ETC.

Table of food, grocery, and other shares including columns for Dividend, Stock, Price, and other financial data.

HOTELS AND CATERERS

Table of hotel and caterer shares including columns for Dividend, Stock, Price, and other financial data.

HOTELS AND CATERERS

Table of hotel and caterer shares (repeated) including columns for Dividend, Stock, Price, and other financial data.

ENGINEERING—Continued

Table of engineering shares (repeated) including columns for Dividend, Stock, Price, and other financial data.

ENGINEERING, MACHINE TOOLS

Table of engineering and machine tools shares (repeated) including columns for Dividend, Stock, Price, and other financial data.

FOOD, GROCERIES, ETC.

Table of food, grocery, and other shares (repeated) including columns for Dividend, Stock, Price, and other financial data.

HOTELS AND CATERERS

Table of hotel and caterer shares (repeated) including columns for Dividend, Stock, Price, and other financial data.

HOTELS AND CATERERS

Table of hotel and caterer shares (repeated) including columns for Dividend, Stock, Price, and other financial data.

Henry Boot Construction Limited advertisement with logo and contact information.

BRITISH FUNDS

Table of British funds including columns for Dividend, Stock, Price, and other financial data.

Over Fifteen Years

Table of funds with over fifteen years of history including columns for Dividend, Stock, Price, and other financial data.

Undated

Table of undated funds including columns for Dividend, Stock, Price, and other financial data.

INTERNATIONAL BANK

Table of international bank funds including columns for Dividend, Stock, Price, and other financial data.

CORPORATION LOANS

Table of corporation loan funds including columns for Dividend, Stock, Price, and other financial data.

COMMONWEALTH & AFRICAN LOANS

Table of commonwealth and African loan funds including columns for Dividend, Stock, Price, and other financial data.

BEERS, WINES AND SPIRITS

Table of beer, wine, and spirit funds including columns for Dividend, Stock, Price, and other financial data.

FOREIGN BONDS & RAILS

Table of foreign bonds and rail funds including columns for Dividend, Stock, Price, and other financial data.

AMERICANS

Table of American funds including columns for Dividend, Stock, Price, and other financial data.

TRIALS-Continued

Table of stock prices for various companies under the TRIALS-Continued section.

INSURANCE-Continued

Table of stock prices for insurance companies under the INSURANCE-Continued section.

PROPERTY-Continued

Table of stock prices for property-related companies under the PROPERTY-Continued section.

TRUSTS-Continued

Table of stock prices for trusts under the TRUSTS-Continued section.

TRUSTS-Continued

Table of stock prices for trusts under the TRUSTS-Continued section.

MOTORS, AIRCRAFT TRADES

Table of stock prices for motors and aircraft trades companies.

Commercial Vehicles

Table of stock prices for commercial vehicles companies.

Components

Table of stock prices for components companies.

Garages and Distributors

Table of stock prices for garages and distributors companies.

NEWSPAPERS, PUBLISHERS

Table of stock prices for newspapers and publishers companies.

PAPER, PRINTING, ADVERTISING

Table of stock prices for paper, printing, and advertising companies.

SHIPBUILDERS, REPAIRERS

Table of stock prices for shipbuilders and repairers companies.

SHIPPING

Table of stock prices for shipping companies.

SHOES AND LEATHER

Table of stock prices for shoes and leather companies.

SOUTH AFRICANS

Table of stock prices for South African companies.

TEXTILES

Table of stock prices for textiles companies.

PROPERTY

Table of stock prices for property companies.

PROPERTY

Table of stock prices for property companies.

TRUSTS, FINANCE, LAND

Table of stock prices for trusts, finance, and land companies.

TRUSTS, FINANCE, LAND

Table of stock prices for trusts, finance, and land companies.

TRUSTS, FINANCE, LAND

Table of stock prices for trusts, finance, and land companies.

TRUSTS, FINANCE, LAND

Table of stock prices for trusts, finance, and land companies.

SANWA BANK Tokyo, Japan

MINES-Continued

Table of stock prices for mines companies.

AUSTRALIAN

Table of stock prices for Australian companies.

TINS

Table of stock prices for tins companies.

COPPER

Table of stock prices for copper companies.

MISCELLANEOUS

Table of stock prices for miscellaneous companies.

NOTES

Notes section containing various financial notices and company announcements.

Recent Issues and Rights Page 2

Text regarding recent issues and rights, including a note about service availability.

REGIONAL MARKETS

Table of stock prices for regional markets.

IRISH

Table of stock prices for Irish companies.

OPTIONS

Table of stock prices for options.

INSURANCE

Table of stock prices for insurance companies.

TOBACCO

Table of stock prices for tobacco companies.

TRUSTS, FINANCE, LAND

Table of stock prices for trusts, finance, and land companies.

FINANCE, LAND, ETC.

Table of stock prices for finance, land, and other companies.

FINANCE

Table of stock prices for finance companies.

DIAMOND AND PLATINUM

Table of stock prices for diamond and platinum companies.

BRO Specialists in International Finance & Suppliers of International Securities

Relative Strength Relative strength is the difference between a good and a bad investment. We supply relative strength charts for British & foreign securities, plus all the other price information necessary for successful investment.

\$50bn. Arab 'weapon' pointed at West, says U.S. report

BY DAVID BELL

WASHINGTON, Sept. 18.

AN INTERNATIONAL debt crisis is coming to a head, says a U.S. Senate report issued this week-end. The report asserts that the Arabs have built up a \$50bn. "weapon" in the form of short-term investments in the West which can be withdrawn at short notice in the event of a new confrontation in the Middle East.

Staff members agreed yesterday that no Arab States had threatened to withdraw their investments in the West, but they asserted that the funds could be moved quickly and noted that in 1973 Saudi Arabia's close relationship with the West did not prevent it from using the "oil weapon."

Mortgage rate may be cut to 9 1/2%

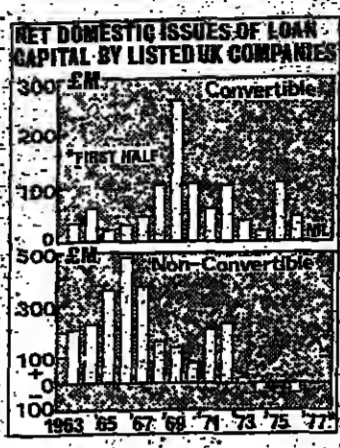
BY MICHAEL BLANDEN

FURTHER REDUCTIONS in the cost of borrowing are expected this week, with the building societies almost certain on Friday to decide on a cut in the mortgage rate.

Corporate bonds still in limbo

THE LEX COLUMN

British companies have tapped the Eurobond market for well over \$1bn. of fixed rate, medium-to-long term finance over the last year, but now that U.K. short-term interest rates have dipped below Eurodollar rates the question is how long will it be before the U.K. debenture and loan stock market springs back to life?



Convertible bonds, although they yield some further improvement in yield gap between floating rate notes and those of GEC, should be ruled out.

EEC sends pork and beef surplus to cold storage in Austria

BY CHRISTOPHER PARKES

THE COMMON MARKET Commission is making efforts to deal with Europe's growing surpluses of pork and beef with 7,500 tonnes of beef shipped to refrigerated stores in Austria and Switzerland, because of a shortage of space in West Germany.

In Britain, where beef prices are maintained well below the levels in the rest of the Community, the surplus is only marginal at around 10,000 tonnes.

Liberals may face new row on Thorpe

By Richard Evans, Lobby Editor

TO THE consternation of Liberal MPs, the issue of Mr. Jeremy Thorpe's resignation from the leadership threatens to be reopened by Mr. Cyril Smith, MP for Rochdale, a week before the party's annual Assembly opens in Brighton.

Spar, Mace and VG grocers may join Retail Consortium

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

THE THREE biggest chains of wholesaler-run voluntary grocery groups are believed to be considering joining the Retail Consortium.

Weather

U.K. TO-DAY DRY and sunny. Chance of showers near coast. London, Cent. S. W., N.W. Cent. N. England, Midlands, Channel Is., Wales, Lakes: I of Man, S.W. Scotland, N. Ireland Dry, sunny spells. Max. 15-17C.

Embarrassed

Rather than depart from this practice, he preferred to retain the trust of his colleagues that a private conversation with them would continue to remain so.

World talks open on sharing resources of Antarctica

BY IAN DAVIDSON

THE NEGOTIATIONS of rules governing the commercial exploitation of Antarctica will be held at the top of the agenda of a three-week conference which opens today in London.

Table with columns for City, Day, and Temperature. Lists various international cities and their weather forecasts.

Table with columns for City, Day, and Temperature. Lists various holiday resort locations and their weather forecasts.

McAlpine Aviation's Big Fleet Means Business. Welcome aboard. This is one of the magnificent HS 125 business jets in McAlpine Aviation's big fleet. McAlpine is Britain's largest operator of executive aircraft and determined to be the best.

Vertical text on the right edge of the page, including 'Equi', 'lose', 'seth', 'to', 'YESTERDAY'.